

SCHOOL DISTRICT  
OF  
ROCHELLE PARK

Rochelle Park School District  
Board of Education  
Rochelle Park, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015

Comprehensive Annual  
Financial Report

of the

Rochelle Park School District  
Board of Education

Rochelle Park, New Jersey

For Fiscal Year Ended June 30, 2015

Prepared by

Rochelle Park School District  
Board of Education

ROCHELLE PARK SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2015

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal .....	1
Organizational Chart .....	4
Roster of Officials .....	5
Consultants and Advisors .....	6

FINANCIAL SECTION..... 7

Independent Auditors' Report.....	8
-----------------------------------	---

Required Supplementary Information .....	11
Management's Discussion and Analysis (Unaudited) .....	12

Basic Financial Statements (Sections A. and B.) .....	23
-------------------------------------------------------	----

A. District-Wide Financial Statements .....	24
A-1 Statement of Net Position .....	25
A-2 Statement of Activities .....	27

B. Fund Financial Statements.....	29
B-1 Balance Sheet – Governmental Funds .....	30
B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.....	32
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	34
B-4 Statement of Net Position – Proprietary Funds.....	36
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds .....	37
B-6 Statement of Cash Flows – Proprietary Funds.....	38
B-7 Statement of Fiduciary Net Position – Fiduciary Funds .....	39
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	40

Notes to the Basic Financial Statements .....	41
-----------------------------------------------	----

Required Supplementary Information (Unaudited)

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited) .....	71
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System.....	71
L-2 Schedule of District Contributions – Public Employees Retirement System .....	72
L-3 Schedule of District's Proportionate Share of the Net Pension Liability – Teachers' Pension and Annuity Fund.....	73
Notes to Required Supplementary Information.....	74

Supplementary Schedules (Sections C. to I.)

C. Budgetary Comparison Schedules (Unaudited).....	75
C-1 Budgetary Comparison Schedule – General Fund .....	76
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	86
C-3 Budgetary Comparison Schedule – Note to RSI.....	87

ROCHELLE PARK SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (Sections D. to I.)

D.	School Level Schedules (Not Applicable).....	88
E.	Special Revenue Fund .....	89
	E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund.....	90
	E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund.....	92
	F-1 Summary Schedule of Revenue, Expenditures and Changes in Fund Balance .....	93
	F-1a Schedule of Project Revenues, Expenditures, Project Balances and Project Status – Infrastructure Repairs and Building Security Enhancements .....	94
	F-1b Schedule of Project Revenues, Expenditures, Project Balances and Project Status – Midland Elementary School Sprinkler System Construction Services.....	95
G.	Proprietary Funds.....	96
	Enterprise Funds:	
	G-1 Combining Statement of Net Position .....	97
	G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	98
	G-3 Combining Statement of Cash Flows.....	99
H.	Fiduciary Funds .....	100
	H-1 Combining Statement of Net Position .....	101
	H-2 Combining Statement of Changes in Net Position.....	102
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements.....	103
	H-4 Student Activity Agency Fund Statement of Activity .....	104
	H-5 Payroll Agency Fund Schedule of Receipts and Disbursements .....	105
I.	Long-Term Debt.....	106
	I-1 Statement of Serial Bonds.....	107
	I-2 Schedule of Obligations Under Capital Leases (Not Applicable) .....	108
	I-3 Debt Service Fund Budgetary Comparison Schedule (Unaudited).....	109
J.	STATISTICAL SECTION (Unaudited) .....	110
	J-1 Net Position by Component.....	111
	J-2 Changes in Net Position.....	112
	J-3 Fund Balances - Governmental Funds.....	115
	J-4 Changes in Fund Balances - Governmental Funds .....	116
	J-5 General Fund Other Local Revenue by Source .....	118
	J-6 Assessed Value and Actual Value of Taxable Property.....	119
	J-7 Direct and Overlapping Property Tax Rates .....	120
	J-8 Principal Property Taxpayers, Current Year and Nine Years Ago .....	121
	J-9 Property Tax Levies and Collections.....	122
	J-10 Ratios of Outstanding Debt by Type .....	123
	J-11 Ratios of Net General Bonded Debt Outstanding.....	124
	J-12 Ratios of Overlapping Governmental Activities Debt.....	125
	J-13 Legal Debt Margin Information.....	126
	J-14 Demographic and Economic Statistics .....	127
	J-15 Principal Employers – County of Bergen, Current Year and Nine Years Ago.....	128
	J-16 Full-time Equivalent District Employees by Function/Program.....	129

ROCHELLE PARK SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

J. STATISTICAL SECTION (Unaudited) (Cont'd)

J-17 Operating Statistics ..... 130

J-18 School Building Information ..... 131

J-19 Schedule of Allowable Maintenance ..... 132

J-20 Insurance Schedule ..... 133

K. SINGLE AUDIT SECTION ..... 134

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards* ..... 135

K-2 Independent Auditors' Report on Compliance For Each Major State Program; Report on  
Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's  
OMB Circulars 04-04 and 15-08 ..... 137

Schedule of Expenditures of Federal Awards..... 139

Schedule of Expenditures of State Awards..... 140

Notes to Schedules of Expenditures of Federal and State Awards ..... 141

Schedule of Findings and Questioned Costs..... 143

Summary Schedule of Prior Audit Findings..... 145

INTRODUCTORY SECTION



# Rochelle Park School District

**Geoffrey W. Zoeller, Jr., Ed.D.**  
SUPERINTENDENT OF SCHOOLS

Board of Education  
**300 Rochelle Avenue**  
**Rochelle Park, NJ 07662**  
**Phone: 201-843-5279**  
**Fax: 201-843-5358**

**Jennifer Pfohl**  
BUSINESS ADMINISTRATOR

**Ellen Kobylarz**  
BOARD SECRETARY

November 23, 2015

The Honorable President and  
Members of the Board of Education  
of the Rochelle Park School District  
County of Bergen  
Rochelle Park, New Jersey 07662

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Rochelle Park School District (the "District") for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Rochelle Park School District (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** Rochelle Park School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Codification Section 2100. All funds of the District are included in this report. The Rochelle Park Board of Education and its school constitute the District's reporting entity.

The District continues to provide a full range of educational services appropriate to grade levels preschool through grade 8 and has a sending receiving relationship with Hackensack Public Schools for students in grades 9 through 12. These include regular, as well as, special education for handicapped students.

The Honorable President and Members  
of the Board of Education  
Rochelle Park School District  
Page 2  
November 23, 2015

The District completed the 2014/2015 fiscal year with an average daily enrollment of 470 students, which is an increase of 12 students over the previous year's average daily enrollment.

2. ECONOMIC CONDITONS AND MAJOR INITIATIVES: The District seeks to achieve multiple initiatives in this school year and beyond. The major initiatives that will be of great focus are that of curriculum modification, technology infusion, teacher evaluation systems, professional development, and shared services. The curriculum modification will encompass the first full year of PARCC state assessments and the technology upgrades and new program implementations that come with the shift. The District has also engaged in the creation of a curriculum consortium with the three sending districts and the receiving high school district. All curriculum related materials, revisions and sequencing will be fully articulated between and amongst the districts as a whole. Class size and staffing components will also be addressed based on demographic figures as well as new hires precipitated by retirements.
3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

4. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2015.

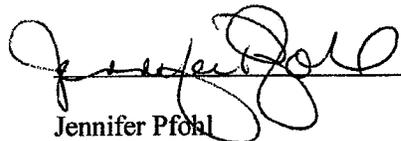
The Honorable President and Members  
of the Board of Education  
Rochelle Park School District  
Page 3  
November 23, 2015

5. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
6. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, excess liability, auto liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.
8. **OTHER INFORMATION: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
9. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Rochelle Park School District for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



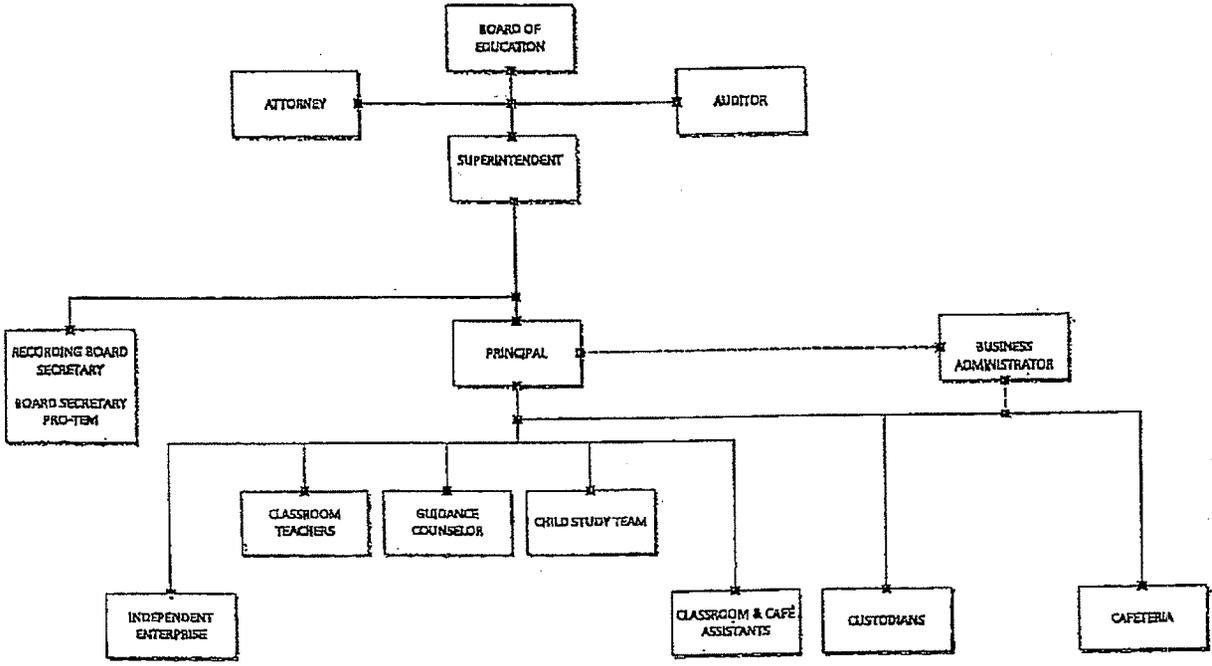
Geoffrey W. Zoeller, Jr., Ed.D.  
Superintendent of Schools



Jennifer Pfohl  
Business Administrator

# Rochelle Park Public School District

## ORGANIZATIONAL CHART



**ROCHELLE PARK BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2015**

**Members of the Board of Education****Term Expires**

Robert J. Esposito, President	2015
Mark Scully, Vice President	2016
Sam Allos	2017
Arlene Ciliento-Buyck	2016
Shirley Abraham	2017
Maria Lauerman	2017
Dimitria Leakas	2015

**Other Officials**

Geoffrey W. Zoeller, Jr., Ed.D.	Superintendent of Schools
Jennifer Pfohl	Business Administrator/Board Secretary
Ellen Kobylarz	Recording Secretary
Peter Bellani	Treasurer of School Monies
Cara Hurd	Midland School Principal
Stephen Fogarty	Board Attorney

# **ROCHELLE PARK BOARD OF EDUCATION**

Consultants and Advisors  
Fiscal Year Ended June 30, 2015

## **Audit Firm**

Nisivoccia LLP  
Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, New Jersey 07856

## **Attorney**

Stephen R. Fogarty  
Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, New Jersey 07410

## **Architect**

Charles L. Koch AIA, PP, CID, NCARB  
Principal  
Environetics  
180 Sylvan Avenue  
Englewood Cliffs, New Jersey 07632

## **Official Depository**

Capital One Bank  
Government Banking  
710 Route 46 – 3rd Floor  
Fairfield, New Jersey 07004

FINANCIAL SECTION



Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
11 Lawrence Road  
Newton, NJ 07860  
973-383-6699 | 973-383-6555 Fax

### Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Rochelle Park School District  
County of Bergen, New Jersey

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District (the "District") in the County of Bergen, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Honorable President and Members  
of the Board of Education  
Rochelle Park School District  
Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District, in the County of Bergen, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 18 to the basic financial statements.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members  
of the Board of Education  
Rochelle Park School District  
Page 3

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

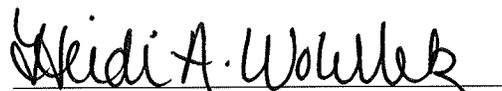
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 23, 2015  
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION -  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

This section of Rochelle Park School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Financial Highlights**

- The District's financial status improved on a district-wide basis over the past year.
- Overall revenue was \$13,719,262.
- Overall expenses were \$13,605,532.
- Actual General Fund revenue (net of On-Behalf TPAF Pension and Post-Retirement Benefits Contributions and Reimbursed TPAF Social Security Contributions) was \$85,634 higher than expected, primarily in miscellaneous revenue, extraordinary aid and nonpublic transportation costs aid.

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and the latchkey program.
- *Fiduciary* funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.
- The Notes to the *Basic Financial Statements* provide additional information to full understanding of *District-wide* and *fund financial statements*.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

**Figure A-1  
Organization of Rochelle Park School District's Financial Report**

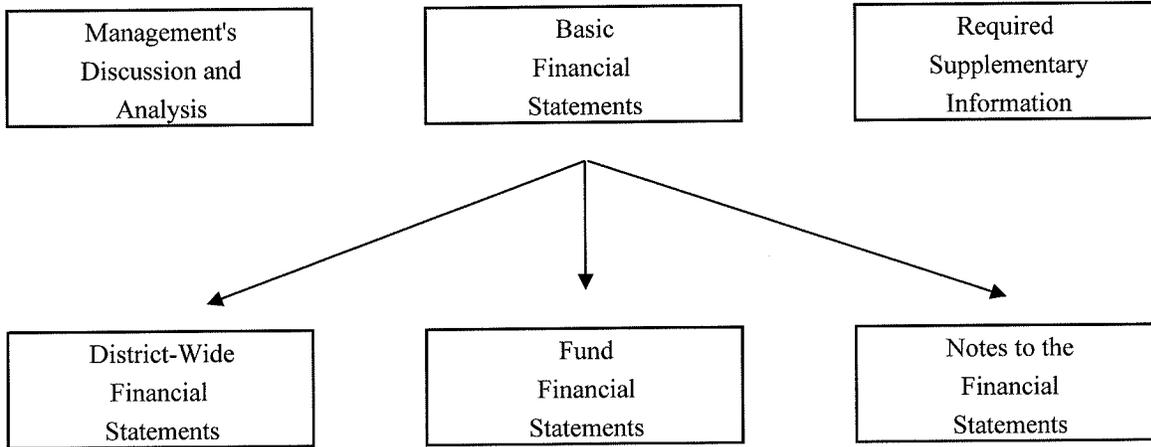


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

Figure A-2

**Major Features of the District-Wide and Fund Financial Statements**

	Fund Financial Statements			
	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services and latchkey program	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenue, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid	All Additions and Deductions during the year, regardless of when cash is received or paid

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

**District-Wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and latchkey programs are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**Notes to the Basic Financial Statements**

The notes provide basic information that is essential to a full understanding of the data provided in the District-wide and Fund financial statements. Those notes to the basic financial statements can be found immediately following the Fund financial statements.

**Financial Analysis of the District as a Whole**

Net Position. The District's net position is shown in Figure A-3.

**Figure A-3**

**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2015	2014 *	2015	2014	2015	2014 *	2014-2015
Current and Other Assets	\$ 5,858,919	\$ 7,910,006	\$ 66,084	\$ 56,003	\$ 5,925,003	\$ 7,966,009	-25.62%
Capital Assets, Net	3,937,612	1,822,478	26,023	27,429	3,963,635	1,849,907	114.26%
Total Assets	<u>9,796,531</u>	<u>9,732,484</u>	<u>92,107</u>	<u>83,432</u>	<u>9,888,638</u>	<u>9,815,916</u>	0.74%
Deferred Outflows of Resources	57,055				57,055		100.00%
Long-Term Debt Outstanding	8,876,703	9,127,057			8,876,703	9,127,057	-2.74%
Other Liabilities	460,507	342,081	9,365	1,047	469,872	343,128	36.94%
Total Liabilities	<u>9,337,210</u>	<u>9,469,138</u>	<u>9,365</u>	<u>1,047</u>	<u>9,346,575</u>	<u>9,470,185</u>	-1.31%
Deferred Inflows of Resources	139,657				139,657		100.00%
Net Position:							
Net Investment in Capital							
Assets	1,149,409	967,901	26,023	27,429	1,175,432	995,330	18.09%
Restricted	629,046	776,812			629,046	776,812	-19.02%
Unrestricted/(Deficit)	<u>(1,401,736)</u>	<u>(1,481,367)</u>	<u>56,719</u>	<u>54,956</u>	<u>(1,345,017)</u>	<u>(1,426,411)</u>	5.71%
Total Net Position	<u>\$ 376,719</u>	<u>\$ 263,346</u>	<u>\$ 82,742</u>	<u>\$ 82,385</u>	<u>\$ 459,461</u>	<u>\$ 345,731</u>	32.90%

\* Restated

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

*Changes in net position.* The District's *combined net position* was \$459,461 on June 30, 2015, \$113,730 or 32.90% higher than the year before (See Figure A-3). The net position of the governmental activities increased by \$113,373 primarily caused by an increase in capital assets, in addition to an excess in Extraordinary and Nonpublic Transportation State Aids and in miscellaneous revenue. The net position of the business-type activities increased by \$357, a positive change from the prior year, due primarily to a decrease in the costs related to the latchkey program; however it should be noted that operating revenues decreased by approximately 13% from the prior year, primarily in the latchkey program due to a decrease in student enrollment and a transfer of the preschool program to the General Fund in the current fiscal year.

**Figure A-4**  
**Changes in Net Position from Operating Results**

	Governmental		Business-Type		Total School District		Total
	Activities		Activities				Percentage
	2015	2014	2015	2014	2015	2014	Change 2014-2015
<b>Revenue:</b>							
<b>Program Revenue:</b>							
Charges for Services	\$ 50,310		\$ 271,208	\$ 312,345	\$ 321,518	\$ 312,345	2.94%
Operating Grants and Contributions	2,505,726	\$ 1,464,573	55,281	59,995	2,561,007	1,524,568	67.98%
<b>General Revenue:</b>							
Property Taxes	10,547,757	10,237,089			10,547,757	10,237,089	3.03%
Unrestricted Federal and State Aid	58,593	47,095			58,593	47,095	24.41%
Other	230,166	124,578	221	992	230,387	125,570	83.47%
<b>Total Revenue</b>	<b>13,392,552</b>	<b>11,873,335</b>	<b>326,710</b>	<b>373,332</b>	<b>13,719,262</b>	<b>12,246,667</b>	<b>12.02%</b>
<b>Expenses:</b>							
Instruction	6,205,379	5,230,228			6,205,379	5,230,228	18.64%
Tuition	3,560,980	3,412,474			3,560,980	3,412,474	4.35%
Pupil & Instruction Services	858,857	814,337			858,857	814,337	5.47%
Administrative and Business	1,080,319	966,882			1,080,319	966,882	11.73%
Maintenance & Operations	785,920	675,858			785,920	675,858	16.28%
Transportation	344,778	318,507			344,778	318,507	8.25%
Other	406,251	208,547	363,048	474,617	769,299	683,164	12.61%
<b>Total Expenses</b>	<b>13,242,484</b>	<b>11,626,833</b>	<b>363,048</b>	<b>474,617</b>	<b>13,605,532</b>	<b>12,101,450</b>	<b>12.43%</b>
Transfers	(36,695)	(20,000)	36,695	20,000			0.00%
<b>Increase in Net Position</b>	<b>\$ 113,373</b>	<b>\$ 226,502</b>	<b>\$ 357</b>	<b>\$ (81,285)</b>	<b>\$ 113,730</b>	<b>\$ 145,217</b>	<b>-21.68%</b>

*Revenue Sources.* The District's total revenue for the 2014/2015 school year was \$13,719,262. (See Figure A-4). Local property taxes accounted for most of the District's revenue, with local taxes accounting for \$10,547,757 of the total, or 76.89%. (See Figure A-5). Approximately 19.09% came from state and federal aid and grants and the remaining 4.02% was from charges for services and other. It is important to note that of the Categorical Grants amount of \$2,168,065, there is \$1,539,249 included in funds that are not paid to the District for TPAF Pension and Post Retirement Benefits that the State of New Jersey is paying on behalf of the District.

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

Figure A-5

## Sources of Revenue for Fiscal Year 2015

Sources of Income	Amount	Percentage
State Formula Aid	\$ 451,535	3.29%
Property Taxes	10,547,757	76.89%
Federal and State Categorical Grants	2,168,065	15.80%
Charges for Services	321,518	2.34%
Other	230,387	1.68%
	<u>\$ 13,719,262</u>	<u>100.00%</u>

Figure A-6

## Expenses for Fiscal Year 2015

Expense Category	Amount	Percentage
Instruction	\$ 6,205,379	45.61%
Tuition	3,560,980	26.17%
Pupil & Instruction Services	858,857	6.31%
Administrative and Business	1,080,319	7.94%
Maintenance & Operations	785,920	5.78%
Transportation	344,778	2.53%
Other	769,299	5.66%
	<u>\$ 13,605,532</u>	<u>100.00%</u>

The total cost of all programs and services was \$13,605,532. The District's expenses are predominantly related to instructing, tuition, caring for (pupil services) and transporting students (80.62%). (See Figure A-6). The District's administrative and business activities accounted for 7.94% of total costs.

Administrative and Business functions included costs for the District's legal, professional fees, liability insurance, telephone, postage, technology and internet costs, environmental testing and election expenses.

Operations and maintenance expenses of approximately 5.78% included costs for the upkeep and maintenance of the facility including cleaning, landscaping and maintenance contracts, pest control, utilities and property insurance.

Transportation expenses included costs for regular and special education to and from the Midland School, Hackensack High School and out-of-district special education placements. The District is also responsible for the transportation costs or the payment of "aid-in-lieu" of transportation for non-public students who reside within the District. The total transportation costs were about 2.53%.

Other expenses include unallocated depreciation, transfer of funds to charter school, interest on long term debt as well as the latchkey and food service program expenses. Other expenses represent 5.66% of total expenses for the fiscal year.

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position of the District improved over the prior year. However, maintaining existing programs as well as providing for a multitude of improved programs and services for special needs pupils place great demands on the District's resources. Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented or continued during the year were:

- A significant number of special needs pupils continue to be educated in programs within the District rather than being sent out-of-District whereby the District would have to pay tuition as well as increased transportation costs. Rochelle Park School District has been cited for its inclusion programs.
- Rochelle Park School District is maximizing its joint purchasing/cooperative agreements. We currently jointly purchase supplies (teaching, custodial, etc.), and insurances (health, property/casualty). The District also participates in an energy purchasing consortium (ACES) and a telecommunication services consortium (ACTS).

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly. District resources are at their tightest level in a decade.

Figure A-7, presents the cost of seven major District activities: instruction, tuition, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Figure A-7**

**Net Cost of Governmental Activities**

	Total		Net	
	Cost of Services		Cost of Services	
	2015	2014	2015	2014
Instruction	\$ 6,205,379	\$ 5,230,228	\$ 3,949,938	\$ 3,842,932
Tuition	3,560,980	3,412,474	3,560,980	3,412,474
Pupil & Instruction Services	858,857	814,337	768,151	798,095
Administrative and Business	1,080,319	966,882	958,756	943,425
Maintenance & Operations	785,920	675,858	734,012	675,858
Transportation	344,778	318,507	308,360	280,929
Other	406,251	208,547	406,251	208,547
<b>Total</b>	<b>\$ 13,242,484</b>	<b>\$ 11,626,833</b>	<b>\$ 10,686,448</b>	<b>\$ 10,162,260</b>

- The cost of all governmental activities this year was \$13.24 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$2,112,784).
- Most of the District's costs, however, were financed by District taxpayers (\$10.55 million).
- A portion of governmental activities was financed with \$451,535 in state formula aid.
- The remainder of the funding came from miscellaneous revenue (\$230,126).

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

**Business-Type Activities**

Net position from the District's business-type activities increased by \$357 due primarily to a decrease in the costs related to the latchkey program; however it should be noted that operating revenues decreased by approximately 13% from the prior year, primarily in the latchkey program due to a decrease in student enrollment and a transfer of the preschool program to the General Fund in the current fiscal year.

**Financial Analysis of the District's Funds**

Difficult economic times have had a direct impact upon the District's revenue sources. Interest from investments continues to be significantly lower than in prior years. The District has also reduced its level of using surplus to reduce the tax levy. As overall revenue for the District is strained, the amount of funds generated for this purpose likewise decreases. The ratables in the municipality of the District have declined, thus generating concern for the local tax levy in the future.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgetary Highlights**

The 2014/2015 budget is reflective of the District's desire to provide its students and staff with the best opportunities, in a safe learning environment while being responsible to its taxpayers. Through careful budgeting, prudent planning and internal controls, the use of cooperative purchasing, shared services with the Township of Rochelle Park and other school districts in areas such as facility services, vehicle maintenance and technology, the District has been successful in maximizing its available resources.

Over the course of the year, the District revised its annual operating budget several times. These budget amendments were for changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

**Capital Asset and Debt Administration**

**Figure A-8**

**Capital Assets (net of depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2015	2014	2015	2014	2015	2014	2014-2015
Sites (Land)	\$ 15,740	\$ 15,740			\$ 15,740	\$ 15,740	0.00%
Construction in Progress	2,371,324	209,370			2,371,324	209,370	1032.60%
Site Improvements	22,237	31,102			22,237	31,102	-28.50%
Buildings & Building Improvements	1,462,090	1,504,418			1,462,090	1,504,418	-2.81%
Machinery and Equipment	66,221	61,848	\$ 26,023	\$ 27,429	92,244	89,277	3.32%
<b>Total</b>	<b>\$ 3,937,612</b>	<b>\$ 1,822,478</b>	<b>\$ 26,023</b>	<b>\$ 27,429</b>	<b>\$ 3,963,635</b>	<b>\$ 1,849,907</b>	<b>114.26%</b>

During the fiscal year, the District's governmental activities recorded \$2,161,954 in Construction in Progress, \$25,518 in additions to machinery and equipment, and depreciated \$72,338 of its capital assets. The District's business-type activities acquired \$6,163 in equipment and depreciated \$7,569 of its equipment during the fiscal year.

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

**Long-Term Debt**

At year-end, the District had \$6,953,000 in general obligation bonds as well as other long-term debt outstanding – a total decrease of \$250,354 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

**Figure A-9**

**Outstanding Long-Term Debt**

	Total School District		Total Percentage Change
	2015	2014 *	2014-2015
General Obligation Bonds (Financed with Property Taxes)	\$ 6,953,000	\$ 7,168,000	-3.00%
Net Pension Liability	1,814,416	1,889,462	-3.97%
Other Long Term Debt Liabilities	109,287	69,595	57.03%
<b>Total</b>	<b>\$ 8,876,703</b>	<b>\$ 9,127,057</b>	<b>-2.74%</b>

\* Restated

- The District continued to pay down its debt, retiring \$215,000 of general obligation bonds.
- The District also had a net increase in Compensated Absences payable of \$39,692.
- The District had a decrease of \$75,046 in its net pension liability.

**Looking Ahead**

**BUILDING FOR THE FUTURE**

During the 2013-2014 school year, the Rochelle Park Public School Administration and Board of Education solicited the Rochelle Park Township residents' approval via a Referendum election held on December 10, 2013. Projects included in the referendum addressed several critical facility needs listed in the District's LRFP. Upon approval of said referendum, the Rochelle Park School District began the architectural design phase to renovate and upgrade the Midland School including a boiler replacement project including unit ventilator replacements, roof replacement project, window replacement project, building envelope improvements and internal renovations and upgrades, bathroom upgrades and installation of new bathrooms in special education rooms, ceiling and energy efficient lighting upgrades, floor replacement, exterior door replacement, installation of a security access and surveillance system, school wide public announcement/intercom system upgrades and fire/safety upgrades. The District then began the construction phase during the summer of 2014. The Referendum projects' construction phase was initiated on June 18, 2014 and is expected to be completed on or about December 31, 2015.

These projects were made possible through State Debt Service Aid, NJ Department of Education ROD grant funding and with referendum monies obtained through the sale of school bonds which was approved by the Rochelle Park Township residents in December 2013.

**Rochelle Park School District  
Management's Discussion and Analysis  
For Fiscal Year Ended June 30, 2015  
(Unaudited)**

PLANNING FOR THE FUTURE

The Rochelle Park Public School District is actively addressing the economic challenges which are affecting New Jersey public school districts. Some of our financial goals are as follows:

- ✓ carefully develop balanced budgets for revenues and expenditures for all funds.
- ✓ ensure expenditures are within the budgeted amounts.
- ✓ monitor the budgets on an ongoing basis and ensure that appropriations are not overspent.
- ✓ develop a long-term (five-year) fiscal plan and update it annually.
- ✓ Continually investigate cost-savings measures which will allow the district to maintain and improve its programs in times of stagnant state funding

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 300 Rochelle Avenue, Rochelle Park, New Jersey 07662.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,083,886	\$ 43,951	\$ 5,127,837
Receivables from Federal Government	93,341	2,452	95,793
Receivables from State Government	290,632	88	290,720
Internal Balances	(17,488)	17,488	
Other Receivables	17,212		17,212
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	322,647		322,647
Tuition Reserve Account	68,689		68,689
Inventory		2,105	2,105
Capital Assets, Net:			
Sites (Land) and Construction in Progress	2,387,064		2,387,064
Depreciable Site Improvements, Buildings and Building Improvements, Machinery and Equipment	<u>1,550,548</u>	<u>26,023</u>	<u>1,576,571</u>
Total Assets	<u>9,796,531</u>	<u>92,107</u>	<u>9,888,638</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Changes in Assumptions - Pensions	<u>57,055</u>		<u>57,055</u>
Total Deferred Outflows of Resources	<u>57,055</u>		<u>57,055</u>
<b>LIABILITIES</b>			
Intergovernmental Payable- State	14,541		14,541
Intergovernmental Payable- Other	273,797		273,797
Accounts Payable	71,426	7,905	79,331
Accrued Interest Payable	62,977		62,977
Unearned Revenue	400	1,460	1,860
Interfund Payable	37,366		37,366
Noncurrent Liabilities:			
Due Within One Year	570,000		570,000
Due Beyond One Year	<u>8,306,703</u>		<u>8,306,703</u>
Total Liabilities	<u>9,337,210</u>	<u>9,365</u>	<u>9,346,575</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Investment Gains - Pensions	108,129		108,129
Changes in Proportions - Pensions	<u>31,528</u>		<u>31,528</u>
Total Deferred Inflows of Resources	<u>139,657</u>		<u>139,657</u>

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 1,149,409	\$ 26,023	\$ 1,175,432
Restricted for:			
Debt Service	22,775		22,775
Capital Projects	322,647		322,647
Other Purposes	283,624		283,624
Unrestricted/(Deficit)	<u>(1,401,736)</u>	<u>56,719</u>	<u>(1,345,017)</u>
Total Net Position	<u>\$ 376,719</u>	<u>\$ 82,742</u>	<u>\$ 459,461</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenue		Net Expense and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
<b>Governmental Activities:</b>					
<b>Instruction:</b>					
Regular	\$ 4,599,659	\$ 50,310	\$ 1,111,095	\$ (3,438,254)	\$ (3,438,254)
Special Education	1,140,360		992,673	(147,687)	(147,687)
Other Special Instruction	404,569		90,028	(314,541)	(314,541)
School Sponsored/Other Instruction	60,791		11,335	(49,456)	(49,456)
<b>Support Services:</b>					
Tuition	3,560,980			(3,560,980)	(3,560,980)
Student & Instruction Related Services	858,857		90,706	(768,151)	(768,151)
General Administrative Services	349,459		30,382	(319,077)	(319,077)
School Administrative Services	287,788		54,291	(233,497)	(233,497)
Central Services	269,338		24,724	(244,614)	(244,614)
Administration Information Technology	173,734		12,166	(161,568)	(161,568)
Plant Operations and Maintenance	785,920		51,908	(734,012)	(734,012)
Pupil Transportation	344,778		36,418	(308,360)	(308,360)
Unallocated Depreciation	52,149			(52,149)	(52,149)
Capital Outlay	32,600			(32,600)	(32,600)
Transfer of Funds to Charter Schools	102,716			(102,716)	(102,716)
Interest on Long-Term Debt	218,786			(218,786)	(218,786)
<b>Total Governmental Activities</b>	<b>13,242,484</b>	<b>50,310</b>	<b>2,505,726</b>	<b>(10,686,448)</b>	<b>(10,686,448)</b>
<b>Business-Type Activities:</b>					
Latchkey Program	151,003	160,563		\$ 9,560	9,560
Food Service	212,045	110,645	55,281	(46,119)	(46,119)
<b>Total Business-Type Activities</b>	<b>363,048</b>	<b>271,208</b>	<b>55,281</b>	<b>(36,559)</b>	<b>(36,559)</b>
<b>Total Primary Government</b>	<b>\$ 13,605,532</b>	<b>\$ 321,518</b>	<b>\$ 2,561,007</b>	<b>\$ (10,686,448)</b>	<b>\$ (10,723,007)</b>

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	Net Expense and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 10,308,529		\$ 10,308,529
Taxes Levied for Debt Service	239,228		239,228
Federal and State Aid Not Restricted	58,593		58,593
Miscellaneous Income	230,166	\$ 221	230,387
Transfers	(36,695)	36,695	
Total General Revenues and Transfers	10,799,821	36,916	10,836,737
Change in Net Position	113,373	357	113,730
Net Position - Beginning - (Restated)	263,346	82,385	345,731
Net Position - Ending	\$ 376,719	\$ 82,742	\$ 459,461

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

ROCHELLE PARK SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 910,161		\$ 4,173,725		\$ 5,083,886
Receivables From Federal Government		\$ 93,341			93,341
Receivables From State Government	290,632				290,632
Interfund Receivable	80,577		174,026	\$ 22,775	277,378
Other Receivables	8,062	9,150			17,212
Restricted Cash and Cash Equivalents	391,336				391,336
<b>Total Assets</b>	<b>\$ 1,680,768</b>	<b>\$ 102,491</b>	<b>\$ 4,347,751</b>	<b>\$ 22,775</b>	<b>\$ 6,153,785</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Intergovernmental Payable- State		\$ 14,541			\$ 14,541
Intergovernmental Payable- Other	\$ 273,797				273,797
Interfund Payable	228,880	80,577	\$ 22,775		332,232
Accounts Payable	64,053	7,373			71,426
Unearned Revenue	400				400
<b>Total Liabilities</b>	<b>567,130</b>	<b>102,491</b>	<b>22,775</b>		<b>692,396</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	322,647				322,647
Tuition Reserve	68,689				68,689
Excess Surplus	214,935				214,935
Capital Projects Fund			4,164,797		4,164,797
Debt Service				\$ 22,775	22,775
<b>Committed:</b>					
Other Purposes			160,179		160,179
<b>Assigned:</b>					
Designated for Subsequent Year's Expenditures	234,875				234,875
Unassigned	272,492				272,492
<b>Total Fund Balances</b>	<b>1,113,638</b>		<b>4,324,976</b>	<b>22,775</b>	<b>5,461,389</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,680,768</b>	<b>\$ 102,491</b>	<b>\$ 4,347,751</b>	<b>\$ 22,775</b>	<b>\$ 6,153,785</b>

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances from Above	\$ 5,461,389
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,852,902 and the accumulated depreciation is \$1,915,290.	3,937,612
Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(62,977)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(7,062,287)

ROCHELLE PARK SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	\$(1,814,416)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Changes in Assumptions - Pensions	57,055
Investment Gains - Pensions	(108,129)
Changes in Proportions - Pensions	(31,528)
Net Position of Governmental Activities	\$ 376,719

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 10,308,529			\$ 239,228	\$ 10,547,757
Tuition from Individuals	50,310				50,310
Interest Earned on Capital Reserve Funds	40				40
Miscellaneous	215,192		\$ 14,934		230,126
<b>Total - Local Sources</b>	<b>10,574,071</b>		<b>14,934</b>	<b>239,228</b>	<b>10,828,233</b>
State Sources	1,506,104				1,506,104
Federal Sources		\$ 282,903			282,903
<b>Total Revenue</b>	<b>12,080,175</b>	<b>282,903</b>	<b>14,934</b>	<b>239,228</b>	<b>12,617,240</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	2,802,068	155,496			2,957,564
Special Education Instruction	638,968	127,407			766,375
Other Special Instruction	248,967				248,967
School Sponsored/Other Instruction	40,462				40,462
<b>Support Services and Undistributed Costs:</b>					
Tuition	3,560,980				3,560,980
Student & Instruction Related Services	650,421				650,421
General Administrative Services	272,544				272,544
School Administrative Services	190,796				190,796
Central Services	206,688				206,688
Administration Information Technology	142,934				142,934
Plant Operations and Maintenance	642,511				642,511
Pupil Transportation	344,778				344,778
Unallocated Benefits	1,968,464				1,968,464

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 215,000	\$ 215,000
Interest and Other Charges				218,603	218,603
Capital Outlay	\$ 58,118		\$ 2,161,954		2,220,072
Transfer of Funds to Charter Schools	102,716				102,716
Total Expenditures	<u>11,871,415</u>	<u>\$ 282,903</u>	<u>2,161,954</u>	<u>433,603</u>	<u>14,749,875</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>208,760</u>		<u>(2,147,020)</u>	<u>(194,375)</u>	<u>(2,132,635)</u>
Other Financing Sources/(Uses):					
Operating Transfers Out	(414,370)		(14,934)		(429,304)
Operating Transfers In			183,300	209,309	392,609
Total Other Financing Sources/(Uses)	<u>(414,370)</u>		<u>168,366</u>	<u>209,309</u>	<u>(36,695)</u>
Net Change in Fund Balances	(205,610)		(1,978,654)	14,934	(2,169,330)
Fund Balance - July 1	<u>1,319,248</u>		<u>6,303,630</u>	<u>7,841</u>	<u>7,630,719</u>
Fund Balance - June 30	<u>\$ 1,113,638</u>	<u>\$ -0-</u>	<u>\$ 4,324,976</u>	<u>\$ 22,775</u>	<u>\$ 5,461,389</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

ROCHELLE PARK SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (2,169,330)

Amounts Reported for Governmental Activities in the Statement  
of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.

	Depreciation Expense	\$ (72,338)	
	Capital Outlays	<u>2,187,472</u>	2,115,134

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (39,692)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+) 215,000

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Changes in Net Pension Liability	75,046	
Deferred Outflows:		
Changes in Assumptions	57,055	
Changes in Proportions		
Deferred Inflows:		
Net Difference between projected and actual investment earnings on Pension Plan Investments	(108,129)	
Changes in Proportions	<u>(31,528)</u>	(7,556)

ROCHELLE PARK SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation. (+)

\$ (183)

Change in Net Position of Governmental Activities (from A-2)

\$ 113,373

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-4

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

		<u>Enterprise Funds</u>
		<u>Non-Major Funds</u>
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$	43,951
Accounts Receivable:		
Federal		2,452
State		88
Interfund Receivable - General Fund		17,488
Inventory		2,105
		<hr/>
Total Current Assets		66,084
		<hr/>
Non-Current Assets:		
Capital Assets		158,301
Accumulated Depreciation		(132,278)
		<hr/>
Total Non-Current Assets		26,023
		<hr/>
Total Assets		92,107
		<hr/>
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable - Vendors		7,905
Unearned Revenue		1,460
		<hr/>
Total Current Liabilities		9,365
		<hr/>
<u>NET POSITION:</u>		
Net Investment in Capital Assets		26,023
Unrestricted		56,719
		<hr/>
Total Net Position	\$	<u>82,742</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Enterprise Funds
	Non-Major Funds
Operating Revenue:	
Local Sources:	\$ 103,271
Daily Sales	7,374
Special Functions	160,563
Program Fees	271,208
Total Operating Revenue	271,208
Operating Expenses:	80,581
Cost of Sales	227,884
Salaries, Benefits & Payroll Taxes	8,540
Other Purchased Services	15,059
Management Fee	23,415
Supplies and Materials	7,569
Depreciation	363,048
Total Operating Expenses	(91,840)
Operating Loss	
Non-Operating Revenue:	
Federal Sources:	42,432
National School Lunch Program	1,283
School Breakfast Program	9,871
U.S.D.A. Commodities	
State Sources:	1,695
School Lunch Program	
Local Sources:	221
Interest	55,502
Total Non-Operating Revenue	(36,338)
Change in Net Position Before Operating Transfers	36,695
Operating Transfer In - General Fund	357
Change in Net Position	82,385
Net Position - Beginning of Year	\$ 82,742
Net Position - End of Year	\$ 82,742

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Enterprise Funds
	Non-Major Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 272,668
Payments to/for Employees	(178,112)
Payments to Food Service Contractor	(124,963)
Payments to Suppliers	(36,164)
	(66,571)
Net Cash Used for Operating Activities	
Cash Flows from Capital Financing Activities:	
Acquisition of Capital Assets	(6,163)
	(6,163)
Net Cash Used for Capital Financing Activities	
Cash Flows from Investing Activities:	
Local Sources - Interest Income	221
	221
Net Cash Provided by Investing Activities	
Cash Flows from Noncapital Financing Activities:	
Cash Received from General Fund	36,695
Cash Received From Federal Reimbursements - Collected in Food Service Fund	35,040
Cash Received From State Reimbursements - Collected in Food Service Fund	1,274
	73,009
Net Cash Provided by Noncapital Financing Activities	
Net Increase in Cash and Cash Equivalents	496
Cash and Cash Equivalents, July 1	43,455
Cash and Cash Equivalents, June 30	\$ 43,951
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (91,840)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	7,569
Food Distribution Program	9,871
Changes in Assets and Liabilities:	
(Decrease) in Inventory	(490)
Increase in Accounts Payable	6,859
Increase in Unearned Revenue	1,460
	(66,571)
Net Cash Used for Operating Activities	\$ (66,571)

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$9,871 for the fiscal year ended June 30, 2015.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 145,032	\$ 9,605	\$ 565
Interfund Receivable - General Fund	10,252	27,114	
Total Assets	<u>155,284</u>	<u>36,719</u>	<u>565</u>
<u>LIABILITIES:</u>			
Accrued Salaries and Wages	133,977		
Due to Student Groups	21,307		
Total Liabilities	<u>155,284</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		36,719	
Restricted for Scholarships			565
Total Net Position	<u>\$ -0-</u>	<u>\$ 36,719</u>	<u>\$ 565</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

ROCHELLE PARK SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Board Contribution	\$ 25,000	
Employee Contributions	17,296	
Total Contributions	<u>42,296</u>	
Investment Earnings:		
Interest	46	\$ 1
Net Investment Earnings	<u>46</u>	<u>1</u>
Total Additions	<u>42,342</u>	<u>1</u>
DEDUCTIONS:		
Unemployment Contribution Payments	24,598	
Scholarships Awarded		5,000
Total Deductions	<u>24,598</u>	<u>5,000</u>
Change in Net Position	17,744	(4,999)
Net Position - Beginning of the Year	<u>18,975</u>	<u>5,564</u>
Net Position - End of the Year	<u>\$ 36,719</u>	<u>\$ 565</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Rochelle Park School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school located in the Township of Rochelle Park. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. The resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary funds:

Food Service Enterprise Fund: The Food Service Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations.

Latchkey Program Enterprise Fund: The Latchkey Program Fund accounts for all revenue and expenses pertaining to the Board's after school childcare program.

The funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, Unemployment Compensation Trust Fund and the Private Purpose Scholarship Trust Fund.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting: (Cont'd)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. These grants are recognized on the budgetary basis in full when they are awarded but recognized on the GAAP basis only to the extent of expenditures which have been submitted for reimbursement.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,081,207	\$ 282,903
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	17,108	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(18,140)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 12,080,175</u>	<u>\$ 282,903</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 11,871,415</u>	<u>\$ 282,903</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 11,871,415</u>	<u>\$ 282,903</u>
		<u>Capital Projects Fund Fund Balance</u>
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)		
Committed Fund Balance		\$ 282,379
Restricted Fund Balance		<u>4,164,797</u>
Total Revenue/Fund Balance - Budgetary Basis		4,447,176
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Recongized on the GAAP Basis until Expended.		<u>(122,200)</u>
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)		<u>\$ 4,324,976</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash, change funds, amount in deposits, and short-term investments with maturities of one year or less.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents, and Investments (Cont'd)

deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 Years
Site Improvements	20 Years
Furniture and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Accrued Salaries and Wages:

The District allows employees who provide services to the District over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year; therefore, there were \$133,977 of accrued salaries and wages as of June 30, 2015.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the respective employee contract/agreement.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$1,113,638 General Fund fund balance at June 30, 2015, \$234,875 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2016; \$322,647 is restricted in the capital reserve account; \$68,689 is restricted in the tuition reserve account and has been anticipated in the fiscal year ended June 30, 2016 budget; \$214,935 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended and will be included as anticipated revenue for the year ending June 30, 2017 and \$272,492 is unassigned fund balance (which is \$18,140 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2015).

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2015 is \$22,775, which is restricted for debt service.

Capital Projects Fund: Of the \$4,324,976 Capital Projects Fund balance at June 30, 2015, \$4,164,797 is restricted for capital projects authorized by referendum and \$160,179 is committed for capital projects which are financed with SDA grants, capital outlay, or capital reserve funds. The committed fund balance is \$122,200 less than the budgetary basis due to SDA grants receivable not recognized on a GAAP basis until the expenditures are submitted for reimbursement.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2015 as detailed above.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$18,140 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the related state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,401,736 in governmental activities, which is a result of \$62,977 of accrued interest payable, \$109,287 of compensated absences payable, investment gains in pensions of \$108,129, changes in proportion in pensions of \$31,528 and net pension liability of \$1,814,416; net of \$234,875 of fund balance designated for subsequent years' expenditures, \$160,179 committed fund balance for capital projects, \$272,492 of unassigned fund balance and \$57,055 change in proportion for pensions. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2015 for the changes in assumptions in pensions.

The District had deferred inflows of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments, and the charges in proportion in pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for the capital projects fund, debt service, a capital reserve and a tuition reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had committed resources at June 30, 2015 on a GAAP basis in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2015.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for food service and program fees for the Latchkey program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section entitled Investments of this note.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in statute; and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents		Cash and Cash	Total
	Tuition Reserve	Capital Reserve	Equivalents	
Checking Accounts	<u>\$ 68,689</u>	<u>\$ 322,647</u>	<u>\$5,283,039</u>	<u>\$5,674,375</u>

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$5,674,375 and the bank balance was \$6,422,860.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Rochelle Park School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance at June 30, 2014	\$ 700,282
Deposits:	
Interest earnings	40
	700,322
Withdrawals:	
Budgeted Withdrawal as per 2014/2015 Budget - Capital Projects Fund	(183,300)
Budgeted Withdrawal as per 2014/2015 Budget - Debt Service Fund	(194,375)
	\$ 322,647
Balance at June 30, 2015	<u>\$ 322,647</u>

The balance in the capital reserve at June 30, 2015 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP. The withdrawal from the capital reserve that was transferred to the capital projects fund was for use in a DOE approved facilities project, consistent with the District's LRFP.

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 5: TUITION RESERVE ACCOUNT

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

The District established a \$68,689 tuition reserve during the 2013/2014 school year which will be used to pay for the tuition adjustment for the fiscal year ending June 30, 2016.

The activity of the tuition reserve account for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance at June 30, 2014	<u>\$</u>	<u>68,689</u>
Balance at June 30, 2015	<u>\$</u>	<u>68,689</u>

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 15,740			\$ 15,740
Construction in Progress	209,370	\$ 2,161,954		2,371,324
Total Capital Assets not Being Depreciated	<u>225,110</u>	<u>2,161,954</u>		<u>2,387,064</u>
Capital Assets Being Depreciated:				
Site Improvements	291,265			291,265
Buildings and Building Improvements	2,762,391			2,762,391
Machinery and Equipment	386,664	25,518		412,182
Total Capital Assets Being Depreciated	<u>3,440,320</u>	<u>25,518</u>		<u>3,465,838</u>
Governmental Activities Capital Assets	<u>3,665,430</u>	<u>2,187,472</u>		<u>5,852,902</u>
Less Accumulated Depreciation for:				
Site Improvements	(260,163)	(8,865)		(269,028)
Buildings and Building Improvements	(1,257,973)	(42,328)		(1,300,301)
Machinery and Equipment	(324,816)	(21,145)		(345,961)
Total Accumulated Depreciation	<u>(1,842,952)</u>	<u>(72,338)</u>		<u>(1,915,290)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>1,822,478</u>	<u>2,115,134</u>	<u>\$ -0-</u>	<u>3,937,612</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	152,138	6,163		158,301
Less Accumulated Depreciation	(124,709)	(7,569)		(132,278)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>27,429</u>	<u>(1,406)</u>	<u>-0-</u>	<u>26,023</u>
<b>GRAND TOTAL</b>	<u>\$ 1,849,907</u>	<u>\$ 2,113,728</u>	<u>\$ -0-</u>	<u>\$ 3,963,635</u>

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2015 were as follows:  
Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 18,553
Special Education Instruction	209
Student and Instruction Related Services	948
School Administration	419
Central Services	60
Unallocated	52,149
	<u>\$ 72,338</u>

NOTE 7. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	(Restated) Balance 6/30/2014	Accrued	Retired	Balance 6/30/2015
Compensated Absences Payable	\$ 69,595	\$ 42,712	\$ 3,020	\$ 109,287
Net Pension Liability	1,889,462		75,046	1,814,416
Bonds Payable	7,168,000		215,000	6,953,000
	<u>\$ 9,127,057</u>	<u>\$ 42,712</u>	<u>\$ 293,066</u>	<u>\$ 8,876,703</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

The District had bonds outstanding as of June 30, 2015 as follows:

Final Maturity Date	<u>Serial Bonds</u> Interest Rates	Amount
8/15/16	4.375% - 4.50%	\$ 440,000
3/15/35	3.00%-3.50%	6,513,000
		<u>\$ 6,953,000</u>

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding are as follows:

<u>Fiscal</u> <u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 570,000	\$ 215,789	\$ 785,789
2017	395,000	195,528	590,528
2018	275,000	185,327	460,327
2019	275,000	177,078	452,078
2020	300,000	168,828	468,828
2021 - 2025	1,638,000	704,248	2,342,248
2026 - 2030	1,750,000	448,438	2,198,438
2031 - 2035	1,750,000	178,062	1,928,062
	<u>\$ 6,953,000</u>	<u>\$ 2,273,298</u>	<u>\$ 9,226,298</u>

The 2014 Bonds maturing on or after March 15, 2025 are subject to redemption at the option of the Board in whole or in part on any date on or after March 15, 2024 upon notice as required, at one hundred percent (100%) of the principal amount to be redeemed (the "Redemption Price"), together with interest accrued to the date of redemption.

<u>Date</u>	<u>Installment</u>
March 15, 2025	\$ 350,000
March 15, 2026	350,000
March 15, 2027	350,000

The 2014 Bonds maturing on March 15, 2027 are subject to mandatory redemption from sinking fund installments made on each March 15, beginning March 15, 2025, and shall be redeemed on the dates set forth below at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds called for redemption, plus interest accrued and unpaid to the date fixed for redemption, according to the schedule set forth below:

<u>Date</u>	<u>Installment</u>
March 15, 2028	\$ 350,000
March 15, 2029	350,000

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

The 2014 Bonds maturing on March 15, 2029 are subject to mandatory redemption from sinking fund installments made on each March 15, beginning March 15, 2028, and shall be redeemed on the dates set forth below at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds called for redemption, plus interest accrued and unpaid to the date fixed for redemption, according to the schedule set forth below:

<u>Date</u>	<u>Installment</u>
March 15, 2030	\$ 350,000
March 15, 2031	350,000
March 15, 2032	350,000
March 15, 2033	350,000
March 15, 2034	350,000
March 15, 2035	350,000

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the District has no bonds authorized but not issued.

C. Capital Leases Payable:

As of June 30, 2015, the District had no capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion of the compensated absences liability at June 30, 2015. Thus, the entire balance of \$109,287 is a long term liability.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Enterprise Funds.

The General Fund will be used to liquidate Compensated Absences Payable. The Debt Service Fund will be used to liquidate the Serial Bonds.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$1,814,416. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$79,891 for fiscal year 2015.

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$1,814,416 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.0097%, which was a decrease of 0.0002% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$87,488. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 57,055	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		\$ 108,129
Changes in Proportion		31,528
	<u>\$ 57,055</u>	<u>\$ 139,657</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	\$ (16,544)
2016	(16,544)
2017	(16,544)
2018	(16,544)
2019	10,488
Thereafter	4,614
	<u>\$ (51,074)</u>

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 2,282,597	\$ 1,814,416	\$ 1,421,263

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at: [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$184,598 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$959,910.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$17,839,082. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.033%, which was a decrease of .0043% from its proportion measured as of June 30, 2013.

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>17,839,082</u>
Total	<u><u>\$ 17,839,082</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$959,910 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u><u>\$ 2,306,623,861</u></u>	<u><u>\$ 1,763,205,593</u></u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

Fiscal Year Ending June 30,	Total
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	<u>761,551,612</u>
	<u><u>\$ 543,418,268</u></u>

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

ROCHELLE PARK BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$293,050, \$231,515, and \$275,606 for 2015, 2014 and 2013, respectively.

NOTE 10. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators for the District's Internal Revenue Code Sections 403(b) plans are as follows:

AXA/Equitable Life  
Valic

Metropolitan Life  
Lincoln Life

Equitable Life Assurance and MetLife are the plan administrators for the District's Internal Revenue Code 457 plans.

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through the State of NJ Health Benefits Plan.

Property, Liability and Health Benefits

The Board is a member of the Northeast Bergen County School Board Insurance Group ("NESBIG"). The NESBIG provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The NESBIG is a risk-sharing pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the NESBIG are elected.

As a member of the NESBIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the NESBIG were to be exhausted, members would become responsible for their respective shares of the NESBIG's liabilities.

The NESBIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

The audit report for the fiscal year ended June 30, 2015 was not available as of the date of this report. Selected financial information for the NESBIG as of June 30, 2014 is as follows:

	Northeast Bergen County School Board Insurance Group
Total Assets	\$ 25,219,616
Net Position	\$ 16,531,754
Total Revenue	\$ 12,295,340
Total Expenses	\$ 9,783,929
Change in Net Position	\$ 2,511,411
Members Dividends	\$ 1,300,000

Financial statements for the NESBIG are available at the NESBIG's Executive Director's Office:

Burton Agency  
44 Bergen Street  
P.O. Box 270  
Westwood, NJ 07675

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following table details the District contributions, employee contributions, interest earned and amounts reimbursed for the prior two fiscal years. The District did not establish a separate Unemployment Compensation Insurance bank account until the prior fiscal year.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 25,000	\$ 17,296	\$ 46	\$ 24,598	\$ 36,719
2013-2014		18,936	39		18,975

NOTE 12. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 80,577	\$ 228,880
Special Revenue Fund		80,577
Capital Projects Fund	174,026	22,775
Debt Service Fund	22,775	
Food Service Fund	17,488	
Agency Fund - Payroll Agency	10,252	
Unemployment Compensation Trust	27,114	
	<u>\$ 332,232</u>	<u>\$ 332,232</u>

The \$80,577 interfund receivable in General Fund is composed of an interfund payable due from the Special Revenue Fund due to a time lag between the request and the receipt of Federal grant funds. The \$228,880 General Fund interfund payable is made up of a \$183,300 interfund receivable in the Capital Projects Fund for the local share of the sprinkler project, netted with \$9,274 of expenditures paid by General Fund on behalf of the Capital Projects Fund, a transfer from the General Fund to the Net Payroll Account of \$10,252 to cover a deficit in the account, a \$17,488 interfund receivable in the Food Service Fund for subsidy receipts received in the General Fund but not remitted to the Food Service Fund, and a \$27,114 interfund payable to the Unemployment Compensation Trust for a \$25,000 board contribution from the General Fund and \$2,114 for the net activity received by and paid by the General Fund. The interfund between the Debt Service Fund and the Capital Projects Fund is for a prior year interfund not settled and current year interest earned in the Capital Projects referendum account, which needs to be turned over to the Debt Service Fund.

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

The District participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

The District is periodically involved in various lawsuits. The District estimates that the potential claims against it resulting from any such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds.

Capital Projects Fund	Total Governmental Funds
<u>\$ 2,910,563</u>	<u>\$ 2,910,563</u>

There is \$2,904,809 of encumbrances payable included in the Restricted fund balance at June 30, 2015. There is also \$5,754 of encumbrances payable included in the Committed fund balance at June 30, 2015.

NOTE 16: TRANSFERS TO CAPITAL OUTLAY

There were no transfers to the capital outlay accounts requiring County Superintendent approval, during the fiscal year ended June 30, 2015.

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2015 were as detailed below:

	<u>Governmental Funds</u>		Total Governmental Funds	Business- Type Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Proprietary Funds</u>
Vendors	\$ 64,053	\$ 7,373	\$ 71,426	\$ 7,905
	<u>\$ 64,053</u>	<u>\$ 7,373</u>	<u>\$ 71,426</u>	<u>\$ 7,905</u>

NOTE 18. PRIOR YEAR RESTATEMENT

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 18. PRIOR YEAR RESTATEMENT (Cont'd)

	Balance 6/30/14 as Previously Reported	Retroactive Adjustments	Balance 6/30/15 as Restated
Governmental Activities:			
Non Current Liabilities:			
Due Beyond One Year	\$ 7,022,595	\$ 1,889,462	\$ 8,912,057
Total Liabilities	7,579,676	1,889,462	9,469,138
Net Position:			
Unrestricted/(Deficit)	408,095	(1,889,462)	(1,481,367)
Total Net Position	2,152,808	(1,889,462)	263,346

REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)

L-1

ROCHELLE PARK SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0098862667%	0.0096909750%
District's proportionate share of the net pension liability	\$ 1,889,462	\$ 1,814,416
District's covered employee payroll	\$ 643,899	\$ 529,650
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	293.44%	342.57%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

ROCHELLE PARK SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
Contractually required contribution	\$ 74,491	\$ 79,891
Contributions in relation to the contractually required contribution	(74,491)	(79,891)
Contribution deficiency/(excess)	\$ -0-	\$ -0-
District's covered employee payroll	\$ 643,899	\$ 529,650
Contributions as a percentage of covered employee payroll	11.57%	15.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

ROCHELLE PARK SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.0377213778%	0.0333773035%
State's proportionate share of the net pension liability attributable to the District	\$ 19,064,088	\$ 17,839,082
District's covered employee payroll	\$ 3,552,551	\$ 3,829,646
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	536.63%	465.82%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 10,308,529		\$ 10,308,529	\$ 10,308,529	
Tuition from Individuals	75,000		75,000	50,310	\$ (24,690)
Interest Earned on Capital Reserve Funds	40		40	40	
Miscellaneous	145,500		145,500	215,192	69,692
<b>Total - Local Sources</b>	<u>10,529,069</u>		<u>10,529,069</u>	<u>10,574,071</u>	<u>45,002</u>
State Sources:					
Categorical Special Education Aid	366,046		366,046	366,046	
Extraordinary Aid	250,000		250,000	281,540	31,540
Security Aid	46,303		46,303	46,303	
PARCC Readiness Aid	6,430		6,430	6,430	
Per Pupil Growth Aid	6,430		6,430	6,430	
Transportation Aid	27,358		27,358	27,358	
Nonpublic Transportation				9,092	9,092
On-Behalf TPAF Pension (non-budgeted)				184,598	184,598
On-Behalf TPAF Post Retirement Medical Benefits (non-budgeted)				293,050	293,050
Reimbursed TPAF Social Security Contributions (non-budgeted)				286,289	286,289
<b>Total State Sources</b>	<u>702,567</u>		<u>702,567</u>	<u>1,507,136</u>	<u>804,569</u>
<b>TOTAL REVENUES</b>	<u>11,231,636</u>		<u>11,231,636</u>	<u>12,081,207</u>	<u>849,571</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	46,596	\$ 2,330	48,926	48,926	
Kindergarten - Salaries of Teachers	184,238	(18,848)	165,390	165,390	
Grades 1-5 - Salaries of Teachers	1,439,797	(108,684)	1,331,113	1,330,658	455
Grades 6-8 - Salaries of Teachers	697,639	193,340	890,979	890,979	

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Home Instruction:					
Salaries of Teachers	\$ 2,000		\$ 2,000	\$ 1,558	\$ 442
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	137,440	\$ 65,617	203,057	202,748	309
Purchased Professional - Educational Services	8,000	(3,018)	4,982	2,222	2,760
Purchased Technical Services	29,113		29,113	21,858	7,255
Other Purchased Services (400-500 series)	37,020	44	37,064	36,332	732
General Supplies	65,000		65,000	63,990	1,010
Textbooks	40,000		40,000	34,265	5,735
Other Objects	3,500		3,500	3,142	358
Total Regular Programs - Instruction	<u>2,690,343</u>	<u>130,781</u>	<u>2,821,124</u>	<u>2,802,068</u>	<u>19,056</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	89,206	(71,594)	17,612	16,762	850
General Supplies	4,000		4,000	3,696	304
Total Learning and/or Language Disabilities	<u>93,206</u>	<u>(71,594)</u>	<u>21,612</u>	<u>20,458</u>	<u>1,154</u>
Resource Room/Resource Center:					
Salaries of Teachers	419,950	138,405	558,355	558,270	85
General Supplies	6,000		6,000	5,409	591
Total Resource Room/Resource Center	<u>425,950</u>	<u>138,405</u>	<u>564,355</u>	<u>563,679</u>	<u>676</u>

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Autism					
Salaries of Teachers	\$ 46,241	\$ (25,790)	\$ 20,451	\$ 20,451	
General Supplies	5,000		5,000	4,980	\$ 20
Total Autism	<u>51,241</u>	<u>(25,790)</u>	<u>25,451</u>	<u>25,431</u>	<u>20</u>
Preschool Disabilities - Full Time:					
Salaries of Teachers	55,486	(28,988)	26,498	26,498	
General Supplies	3,000		3,000	2,902	98
Total Preschool Disabilities - Part Time	<u>58,486</u>	<u>(28,988)</u>	<u>29,498</u>	<u>29,400</u>	<u>98</u>
Total Special Education Instruction	<u>628,883</u>	<u>12,033</u>	<u>640,916</u>	<u>638,968</u>	<u>1,948</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	181,902		181,902	146,067	35,835
General Supplies	3,000		3,000	2,841	159
Total Basic Skills/Remedial - Instruction	<u>184,902</u>		<u>184,902</u>	<u>148,908</u>	<u>35,994</u>
Bilingual Education - Instruction					
Salaries of Teachers	64,396	34,385	98,781	98,781	
General Supplies	1,000	278	1,278	1,278	
Total Bilingual Education - Instruction	<u>65,396</u>	<u>34,663</u>	<u>100,059</u>	<u>100,059</u>	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	24,389	1,025	25,414	25,414	
Supplies and Materials	5,000	(1,414)	3,586	1,771	1,815
Total School-Sponsored Cocurricular Activities - Instruction	<u>29,389</u>	<u>(389)</u>	<u>29,000</u>	<u>27,185</u>	<u>1,815</u>

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 12,000		\$ 12,000	\$ 12,000	
Purchased Services (300-500 series)	1,000		1,000	1,000	
Supplies and Materials	500		500	277	\$ 223
Total School-Sponsored Cocurricular Athletics - Instruction	<u>13,500</u>		<u>13,500</u>	<u>13,277</u>	<u>223</u>
Total Instruction	<u>3,612,413</u>	<u>\$ 177,088</u>	<u>3,789,501</u>	<u>3,730,465</u>	<u>59,036</u>
Undistributed Expenditures:					
Instuction:					
Tuition to Other LEAs Within the State - Regular	2,538,250	(106,986)	2,431,264	2,426,366	4,898
Tuition to Other LEAs Within the State - Special	598,298	(79,700)	518,598	506,558	12,040
Tuition to County Vocational School District - Regular	107,500	26,373	133,873	133,873	
Tuition to County Vocational School District - Special	152,163	(39,948)	112,215	112,215	
Tuition to CSSD and Regional Day Schools Within the State	191,182	63,918	255,100	247,016	8,084
Tuition to Private Schools for the Handicapped Within the State	148,130	(5,260)	142,870	134,952	7,918
Total Undistributed Expenditures - Instruction:	<u>3,735,523</u>	<u>(141,603)</u>	<u>3,593,920</u>	<u>3,560,980</u>	<u>32,940</u>
Attendance & Social Work:					
Salaries	12,050	2,000	14,050	13,957	93
Purchased Professional and Technical Services	18,000	(403)	17,597	17,201	396
Total Attendance & Social Work	<u>30,050</u>	<u>1,597</u>	<u>31,647</u>	<u>31,158</u>	<u>489</u>
Health Services:					
Salaries	66,211	598	66,809	66,809	
Purchased Professional and Technical Services	2,100		2,100	2,100	
Other Purchased Services (400-500 series)	500	(195)	305	272	33
Supplies and Materials	2,000	(926)	1,074	1,074	
Total Health Services	<u>70,811</u>	<u>(523)</u>	<u>70,288</u>	<u>70,255</u>	<u>33</u>

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Speech, OT, PT & Related Services:					
Salaries	\$ 55,486	\$ 1,094	\$ 56,580	\$ 56,580	
Supplies and Materials	1,000		1,000	909	\$ 91
Total Speech, OT, PT & Related Services	<u>56,486</u>	<u>1,094</u>	<u>57,580</u>	<u>57,489</u>	<u>91</u>
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	104,000	35,437	139,437	139,437	
Total Other Support Services - Students - Extraordinary Services	<u>104,000</u>	<u>35,437</u>	<u>139,437</u>	<u>139,437</u>	
Guidance:					
Salaries of Other Professional Staff	55,486	1,367	56,853	56,853	
Supplies and Materials	6,000		6,000	5,462	538
Total Guidance	<u>61,486</u>	<u>1,367</u>	<u>62,853</u>	<u>62,315</u>	<u>538</u>
Child Study Teams:					
Salaries of Other Professional Staff	216,712	33,605	250,317	250,317	
Purchased Professional - Educational Services	3,500	350	3,850	3,850	
Other Purchased Professional and Technical Services	400		400	186	214
Other Purchased Services (400-500 series)		2,055	2,055	2,055	
Supplies and Materials	3,500	(1,330)	2,170	2,170	
Total Child Study Teams	<u>224,112</u>	<u>34,680</u>	<u>258,792</u>	<u>258,578</u>	<u>214</u>
Educational Media Services/School Library:					
Salaries	20,425		20,425	13,138	7,287
Other Purchased Services (400-500 series)	4,000		4,000		4,000
Supplies and Materials	13,800		13,800	11,800	2,000
Other Objects	4,580		4,580	3,305	1,275
Total Educational Media Services/School Library	<u>42,805</u>		<u>42,805</u>	<u>28,243</u>	<u>14,562</u>

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instructional Staff Training					
Purchased Professional - Educational Services	\$ 10,000		\$ 10,000	\$ 2,562	\$ 7,438
Other Purchased Services (400-500 series)	2,000		2,000	384	1,616
Total Instructional Staff Training	<u>12,000</u>		<u>12,000</u>	<u>2,946</u>	<u>9,054</u>
Support Services - General Administration:					
Salaries	152,963	\$ 40,871	193,834	193,584	250
Legal Services	25,000	(1,163)	23,837	23,837	
Audit Fees	26,000		26,000	25,000	1,000
Other Purchased Professional Services	30,000	(30,000)			
Communications/Telephone	2,000	434	2,434	2,434	
BOE Other Purchased Services	500		500	81	419
Miscellaneous Purchased Services (400-500) (O/T 530 & 585)	4,000	1,038	5,038	5,038	
General Supplies	4,500	29	4,529	4,529	
BOE Membership Dues and Fees	20,000	(1,959)	18,041	18,041	
Total Support Services - General Administration	<u>264,963</u>	<u>9,250</u>	<u>274,213</u>	<u>272,544</u>	<u>1,669</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	118,388	(2,623)	115,765	115,765	
Salaries of Secretarial and Clerical Assistants	64,343	(2,174)	62,169	60,133	2,036
Other Purchased Services (400-500 series)	10,000		10,000	8,220	1,780
Supplies and Materials	6,000	678	6,678	6,678	
Other Objects	3,000		3,000		3,000
Total Support Services - School Administration	<u>201,731</u>	<u>(4,119)</u>	<u>197,612</u>	<u>190,796</u>	<u>6,816</u>

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 160,670	\$ (1,887)	\$ 158,783	\$ 157,529	\$ 1,254
Purchased Professional Services	34,000	500	34,500	34,000	500
Purchased Technical Services	7,000		7,000	6,122	878
Supplies and Materials	9,500		9,500	7,822	1,678
Interest on Lease Purchase Agreements	600		600		600
Miscellaneous Expenditures	1,400		1,400	1,215	185
Total Central Services	<u>213,170</u>	<u>(1,387)</u>	<u>211,783</u>	<u>206,688</u>	<u>5,095</u>
Administration Information Technology:					
Salaries	64,560	(64,560)			
Purchased Professional and Technical Services		77,520	77,520	77,520	
Other Purchased Services (400-500 series)	8,000	1,147	9,147	9,147	
Supplies and Materials	30,000	26,303	56,303	56,267	36
Total Admin. Info. Technology	<u>102,560</u>	<u>40,410</u>	<u>142,970</u>	<u>142,934</u>	<u>36</u>
Required Maintenance of School Facilities:					
Salaries	49,912	11,233	61,145	61,145	
Cleaning, Repair and Maintenance Services	42,700	(3,679)	39,021	39,021	
General Supplies	20,000	12,000	32,000	31,597	403
Total Required Maintenance of School Facilities	<u>112,612</u>	<u>19,554</u>	<u>132,166</u>	<u>131,763</u>	<u>403</u>
Custodial Services:					
Salaries	243,934	2,688	246,622	238,457	8,165
Salaries of Non-Instructional Aides	40,000		40,000	31,133	8,867
Purchased Professional and Technical Services	250		250	166	84
Cleaning, Repair and Maintenance Services	30,000		30,000	29,999	1
Other Purchased Property Services	5,000	1,050	6,050	6,050	
Insurance	65,000		65,000	62,007	2,993
General Supplies	3,000	6,358	9,358	8,277	1,081
Energy (Electricity)	85,000	(82,000)	3,000	3,000	
Energy (Natural Gas)	56,000	75,660	131,660	131,659	1
Total Custodial Services	<u>528,184</u>	<u>3,756</u>	<u>531,940</u>	<u>510,748</u>	<u>21,192</u>

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Student Transportation Services:					
Contracted Services:					
Between Home and School - Vendors	\$ 40,000		\$ 40,000	\$ 37,749	\$ 2,251
Other Between Home and School - Vendors	4,500	\$ 6,682	11,182	2,069	9,113
Special Education Students - Joint Agreements	7,500		7,500	2,752	4,748
Regular Students - ESCs and CTSAAs	16,000		16,000	13,453	2,547
Special Education Students - ESCs and CTSAAs	253,404		253,404	249,837	3,567
Aid in Lieu Payments - Nonpublic School	48,620	(4,500)	44,120	38,918	5,202
Total Student Transportation Services	<u>370,024</u>	<u>2,182</u>	<u>372,206</u>	<u>344,778</u>	<u>27,428</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	95,000		95,000	87,638	7,362
Other Retirement Contributions - PERS	89,000	(3,500)	85,500	79,891	5,609
Unemployment Compensation	25,000		25,000	25,000	
Workmen's Compensation	62,000	(15,689)	46,311	46,311	
Health Benefits	1,177,754	(230,353)	947,401	940,863	6,538
Tuition Reimbursement	30,000		30,000	24,824	5,176
Total Unallocated Benefits - Employee Benefits	<u>1,478,754</u>	<u>(249,542)</u>	<u>1,229,212</u>	<u>1,204,527</u>	<u>24,685</u>
EXPENDITURES:					
CURRENT EXPENSE					
TPAF Contributions:					
On-Behalf TPAF Pension (non-budgeted)				184,598	(184,598)
On-Behalf TPAF Post Retirement Medical Benefits (non-budgeted)				293,050	(293,050)
Reimbursed TPAF Social Security Contributions (non-budgeted)				286,289	(286,289)
Total TPAF Contributions				<u>763,937</u>	<u>(763,937)</u>
Total Personal Services - Employee Benefits	<u>1,478,754</u>	<u>(249,542)</u>	<u>1,229,212</u>	<u>1,968,464</u>	<u>(739,252)</u>
Total Undistributed Expenses	<u>7,609,271</u>	<u>(247,847)</u>	<u>7,361,424</u>	<u>7,980,116</u>	<u>(618,692)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>11,221,684</u>	<u>(70,759)</u>	<u>11,150,925</u>	<u>11,710,581</u>	<u>(559,656)</u>

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	\$ 25,000	\$ 518	\$ 25,518	\$ 25,518	
General Administration		3,500	3,500	3,449	\$ 51
Admin. Info. Technology		26,799	26,799	9,976	16,823
Custodial Services		4,573	4,573	4,572	1
Total Equipment	<u>25,000</u>	<u>35,390</u>	<u>60,390</u>	<u>43,515</u>	<u>16,875</u>
Facilities Acquisition and Construction Services:					
Assessment for Debt Service SDA Funding	<u>14,603</u>		<u>14,603</u>	<u>14,603</u>	
Total Facilities Acquisition and Construction Services	<u>14,603</u>		<u>14,603</u>	<u>14,603</u>	
TOTAL CAPITAL OUTLAY	<u>39,603</u>	<u>35,390</u>	<u>74,993</u>	<u>58,118</u>	<u>16,875</u>
Transfer of Funds to Charter Schools	<u>74,269</u>	<u>28,477</u>	<u>102,746</u>	<u>102,716</u>	<u>30</u>
TOTAL EXPENDITURES	<u>11,335,556</u>	<u>(6,892)</u>	<u>11,328,664</u>	<u>11,871,415</u>	<u>(542,751)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(103,920)</u>	<u>6,892</u>	<u>(97,028)</u>	<u>209,792</u>	<u>306,820</u>
Other Financing Uses:					
Capital Reserve - Transfer to Capital Projects Fund	(183,300)		(183,300)	(183,300)	
Capital Reserve - Transfer to Debt Service Fund	(194,375)		(194,375)	(194,375)	
Operating Transfer Out - Enterprise Fund - Food Service:					
Board Contribution	<u>(20,000)</u>	<u>(16,695)</u>	<u>(36,695)</u>	<u>(36,695)</u>	
Total Other Financing Uses	<u>(397,675)</u>	<u>(16,695)</u>	<u>(414,370)</u>	<u>(414,370)</u>	

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR END JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenue					
Over/(Under) Expenditures and Other Financing Uses	\$ (501,595)	\$ (9,803)	\$ (511,398)	\$ (204,578)	\$ 306,820
Fund Balance, July 1	<u>1,336,356</u>		<u>1,336,356</u>	<u>1,336,356</u>	
Fund Balance, June 30	<u>\$ 834,761</u>	<u>\$ (9,803)</u>	<u>\$ 824,958</u>	<u>\$ 1,131,778</u>	<u>\$ 306,820</u>
 <u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 322,647	
Tuition Reserve - Designated for 2015-16 School Year				68,689	
Excess Surplus				214,935	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				234,875	
Unassigned Fund Balance				<u>290,632</u>	
				1,131,778	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				<u>(18,140)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,113,638</u>	

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 130,000	\$ 194,103	\$ 324,103	\$ 282,903	\$ (41,200)
Total Revenues	<u>130,000</u>	<u>194,103</u>	<u>324,103</u>	<u>282,903</u>	<u>(41,200)</u>
EXPENDITURES:					
Instruction					
Salaries	30,000	5,135	35,135	35,135	
Purchased Professional and Educational Services		11,940	11,940	11,940	
Tuition	100,000	15,467	115,467	115,467	
General Supplies		70,092	70,092	62,869	7,223
Total Instruction	<u>130,000</u>	<u>102,634</u>	<u>232,634</u>	<u>225,411</u>	<u>7,223</u>
Support Services					
Personal Services - Employee Benefits		8,875	8,875	8,875	
Purchased Professional Educational Services		28,493	28,493	28,014	479
Other Purchased Services		42,101	42,101	8,703	33,398
Total Support Services		<u>79,469</u>	<u>79,469</u>	<u>45,592</u>	<u>33,877</u>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		12,000	12,000	11,900	100
Total Facilities Acquisition and Construction Services		<u>12,000</u>	<u>12,000</u>	<u>11,900</u>	<u>100</u>
Total Expenditures	<u>130,000</u>	<u>194,103</u>	<u>324,103</u>	<u>282,903</u>	<u>41,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,081,207	\$ 282,903
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	17,108	
Current Year State Aid Payments Recognized for Budgetary Statements, not Recognized for GAAP Statements	<u>(18,140)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 <u>\$ 12,080,175</u>	 <u>\$ 282,903</u>
Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 11,871,415</u>	<u>\$ 282,903</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 11,871,415</u>	<u>\$ 282,903</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE)

SPECIAL REVENUE FUND

ROCHELLE PARK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>IDEA, Part B</u>		<u>NCLB Consolidated Grant</u>	
	<u>Basic</u>	<u>Preschool</u>	<u>Title I</u>	<u>Title II - Part A</u>
REVENUES:				
Federal Sources	\$ 122,406	\$ 5,001	\$ 52,452	\$ 9,703
Total Revenues	<u>122,406</u>	<u>5,001</u>	<u>52,452</u>	<u>9,703</u>
EXPENDITURES:				
Instruction:				
Salaries			34,135	1,000
Purchased Professional and Educational Services	6,939	5,001		
Tuition	115,467		9,442	
General Supplies				
Total Instruction	<u>122,406</u>	<u>5,001</u>	<u>43,577</u>	<u>1,000</u>
Support Services:				
Personal Services - Employee Benefits			8,875	
Purchased Professional Educational Services				8,703
Other Purchased Services				
Total Support Services			<u>8,875</u>	<u>8,703</u>
Total Expenditures	<u>\$ 122,406</u>	<u>\$ 5,001</u>	<u>\$ 52,452</u>	<u>\$ 9,703</u>

ROCHELLE PARK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	IIS Competitive Grant (RTTT- Phase III)	Totals June 30, 2015
REVENUES:		
Federal Sources	\$ 93,341	\$ 282,903
Total Revenues	93,341	282,903
EXPENDITURES:		
Instruction:		
Salaries		35,135
Purchased Professional and Educational Services		11,940
Tuition		115,467
General Supplies	53,427	62,869
Total Instruction	53,427	225,411
Support Services:		
Personal Services - Employee Benefits		8,875
Purchased Professional Educational Services	28,014	28,014
Other Purchased Services		8,703
Total Support Services	28,014	45,592
Facilities Acquisition and Construction Services:		
Non-Instructional Equipment	11,900	11,900
Total Facilities Acquisition and Construction Services	11,900	11,900
Total Expenditures	\$ 93,341	\$ 282,903

CAPITAL PROJECTS FUND

Exhibit F-1

ROCHELLE PARK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenue and Other Financing Sources:	
Local Sources - Capital Reserve	\$ 183,300
Interest Revenue	14,934
	<hr/>
Total Revenues and Other Financing Sources	198,234
	<hr/>
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	378,573
Legal Services	7,416
Construction Services	1,754,612
Other Objects	21,353
Transfer to Debt Service Fund - Interest Earnings	14,934
	<hr/>
Total Expenditures and Other Financing Uses	2,176,888
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(1,978,654)
	<hr/>
Fund Balance - Beginning Balance	6,425,830
	<hr/>
Fund Balance - Ending Balance	\$ 4,447,176
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Restricted - Other Purposes	\$ 1,259,988
Restricted - Year End Encumbrances	2,904,809
Committed - Other Purposes	276,625
Committed - Year End Encumbrances	5,754
	<hr/>
Fund Balance per Governmental Funds (Budgetary Basis)	4,447,176
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	(122,200)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 4,324,976
	<hr/> <hr/>

ROCHELLE PARK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS  
BUDGETARY BASIS  
INFRASTRUCTURE REPAIRS AND BUILDING SECURITY ENHANCEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 6,513,000		\$ 6,513,000	\$ 6,513,000
Total Revenue and Other Financing Sources	<u>6,513,000</u>		<u>6,513,000</u>	<u>6,513,000</u>
Expenditures:				
Other Purchased Professional and Technical Services	137,132	\$ 365,245	502,377	915,225
Legal Services	62,175	7,416	69,591	86,500
Construction Services	125	1,754,612	1,754,737	5,010,250
General Supplies	145		145	145
Other Objects		21,353	21,353	500,880
Total Expenditures	<u>199,577</u>	<u>2,148,626</u>	<u>2,348,203</u>	<u>6,513,000</u>
Excess of Revenue and Other Financing Sources Over Expenditures	<u>\$ 6,313,423</u>	<u>\$ 2,148,626</u>	<u>\$ 4,164,797</u>	<u>\$ -0-</u>

Additional Project Information:

State Project Numbers:	4470-050-14-4000; 4470-050-14-5000
Bond Authorization Date	12/10/2013
Bonds Authorized	\$ 6,513,000
Bonds Issued	6,513,000
Original Authorized Cost	6,513,000
Additional Authorized Cost	-0-
Revised Authorized Cost	6,513,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	56%
Original Target Completion Date	8/31/2015
Revised Target Completion Date	12/31/2015

ROCHELLE PARK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS  
BUDGETARY BASIS  
MIDLAND ELEMENTARY SCHOOL - SPRINKLER SYSTEM CONSTRUCTION SERVICES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30,2015

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 122,200		\$ 122,200	\$ 122,200
Transfer from Capital Reserve		\$ 183,300	183,300	183,300
Total Revenue and Other Financing Sources	122,200	183,300	305,500	305,500
Expenditures:				
Other Purchased Professional and Technical Services	9,793	13,328	23,121	40,500
Legal Services				6,500
Construction Services				235,000
Other Objects				23,500
Total Expenditures	9,793	13,328	23,121	305,500
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 112,407	\$ 169,972	\$ 282,379	\$ -0-

**Additional Project Information:**

Project Numbers	4470-050-14-1003
Grant Date	1/6/2014
Original Authorized Cost	\$ 305,500
Additional Authorized Cost	-0-
Revised Authorized Cost	305,500
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	8%
Original Target Completion Date	8/31/2014
Revised Target Completion Date	8/31/2016

PROPRIETARY FUNDS

Exhibit G-1

ROCHELLE PARK SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Latchkey Program</u>	<u>Food Service</u>	
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 35,319	\$ 8,632	\$ 43,951
Accounts Receivable:			
Federal		2,452	2,452
State		88	88
Interfund Receivable - General Fund		17,488	17,488
Inventory		2,105	2,105
Total Current Assets	<u>35,319</u>	<u>30,765</u>	<u>66,084</u>
Non-Current Assets:			
Capital Assets	9,580	148,721	158,301
Accumulated Depreciation	<u>(1,436)</u>	<u>(130,842)</u>	<u>(132,278)</u>
Total Non-Current Assets	<u>8,144</u>	<u>17,879</u>	<u>26,023</u>
Total Assets	<u>43,463</u>	<u>48,644</u>	<u>92,107</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors		7,905	7,905
Unearned Revenue	1,460		1,460
Total Current Liabilities	<u>1,460</u>	<u>7,905</u>	<u>9,365</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	8,144	17,879	26,023
Unrestricted	<u>33,859</u>	<u>22,860</u>	<u>56,719</u>
Total Net Position	<u>\$ 42,003</u>	<u>\$ 40,739</u>	<u>\$ 82,742</u>

Exhibit G-2

ROCHELLE PARK SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Latchkey Program</u>	<u>Food Service</u>	
Operating Revenue:			
Local Sources:			
Daily Sales		\$ 103,271	\$ 103,271
Special Functions		7,374	7,374
Program Fees	\$ 160,563		160,563
Total Operating Revenue	<u>160,563</u>	<u>110,645</u>	<u>271,208</u>
Operating Expenses:			
Cost of Sales		80,581	80,581
Salaries, Benefits & Payroll Taxes	141,417	86,467	227,884
Other Purchased Services		8,540	8,540
Management Fee		15,059	15,059
Supplies and Materials	8,868	14,547	23,415
Depreciation	718	6,851	7,569
Total Operating Expenses	<u>151,003</u>	<u>212,045</u>	<u>363,048</u>
Operating Income/(Loss)	<u>9,560</u>	<u>(101,400)</u>	<u>(91,840)</u>
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program		42,432	42,432
School Breakfast Program		1,283	1,283
U.S.D.A. Commodities		9,871	9,871
State Sources:			
School Lunch Program		1,695	1,695
Local Sources:			
Interest	156	65	221
Total Non-Operating Revenue	<u>156</u>	<u>55,346</u>	<u>55,502</u>
Change in Net Position Before Operating Transfers	9,716	(46,054)	(36,338)
Operating Transfer In - General Fund		36,695	36,695
Change in Net Position	9,716	(9,359)	357
Net Position - Beginning of Year	<u>32,287</u>	<u>50,098</u>	<u>82,385</u>
Net Position - End of Year	<u>\$ 42,003</u>	<u>\$ 40,739</u>	<u>\$ 82,742</u>

ROCHELLE PARK SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Non-Major Funds		Total
	Latchkey Program	Food Service	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 162,023	\$ 110,645	\$ 272,668
Payments to/for Employees	(141,417)	(36,695)	(178,112)
Payments to Food Service Contractor		(124,963)	(124,963)
Payments to Suppliers	(8,868)	(27,296)	(36,164)
Net Cash Provided by/(Used for) Operating Activities	<u>11,738</u>	<u>(78,309)</u>	<u>(66,571)</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets		(6,163)	(6,163)
Net Cash Used for Capital Financing Activities		<u>(6,163)</u>	<u>(6,163)</u>
Cash Flows from Investing Activities:			
Local Sources - Interest Income	156	65	221
Net Cash Provided by Investing Activities	<u>156</u>	<u>65</u>	<u>221</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from General Fund		36,695	36,695
Cash Received From Federal Reimbursements - Collected in Food Service Fund		35,040	35,040
Cash Received From State Reimbursements - Collected in Food Service Fund		1,274	1,274
Net Cash Provided by Noncapital Financing Activities		<u>73,009</u>	<u>73,009</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	11,894	(11,398)	496
Cash and Cash Equivalents, July 1	<u>23,425</u>	<u>20,030</u>	<u>43,455</u>
Cash and Cash Equivalents, June 30	<u>\$ 35,319</u>	<u>\$ 8,632</u>	<u>\$ 43,951</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 9,560	\$ (101,400)	\$ (91,840)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	718	6,851	7,569
Food Distribution Program		9,871	9,871
Changes in Assets and Liabilities:			
(Decrease) in Inventory		(490)	(490)
Increase in Accounts Payable		6,859	6,859
Increase in Unearned Revenue	1,460		1,460
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 11,738</u>	<u>\$ (78,309)</u>	<u>\$ (66,571)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$9,871 for the fiscal year ended June 30, 2015.

FIDUCIARY FUNDS

ROCHELLE PARK SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET OF POSITION  
JUNE 30, 2015

	Student Activity	Agency Payroll	Total Agency	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 21,307	\$ 123,725	\$ 145,032	\$ 9,605	\$ 565	\$ 155,202
Interfund Receivable - General Fund		10,252	10,252	27,114		37,366
<b>Total Assets</b>	<b>21,307</b>	<b>133,977</b>	<b>155,284</b>	<b>36,719</b>	<b>565</b>	<b>192,568</b>
<b>LIABILITIES:</b>						
Accrued Salaries and Wages		133,977	133,977			133,977
Due to Student Groups	21,307		21,307			21,307
<b>Total Liabilities</b>	<b>21,307</b>	<b>133,977</b>	<b>155,284</b>			<b>155,284</b>
<b>NET POSITION:</b>						
Held in Trust for Unemployment Claims				36,719		36,719
Restricted for Scholarships					565	565
<b>Total Net Position</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 36,719</b>	<b>\$ 565</b>	<b>\$ 37,284</b>

Exhibit H-2

ROCHELLE PARK SCHOOL DISTRICT  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
<b>ADDITIONS:</b>		
Contributions:		
Board Contribution	\$ 25,000	
Employee Contributions	<u>17,296</u>	
Total Contributions	<u>42,296</u>	
Investment Earnings:		
Interest	<u>46</u>	\$ 1
Net Investment Earnings	<u>46</u>	<u>1</u>
Total Additions	<u>42,342</u>	<u>1</u>
<b>DEDUCTIONS:</b>		
Unemployment Contribution Payments	24,598	
Scholarships Awarded		<u>5,000</u>
Total Deductions	<u>24,598</u>	<u>5,000</u>
Change in Net Position	17,744	(4,999)
Net Position—Beginning of the Year	<u>18,975</u>	<u>5,564</u>
Net Position—End of the Year	<u>\$ 36,719</u>	<u>\$ 565</u>

Exhibit H-3

ROCHELLE PARK SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 22,504	\$ 35,034	\$ 36,231	\$ 21,307
Total Assets	<u>\$ 22,504</u>	<u>\$ 35,034</u>	<u>\$ 36,231</u>	<u>\$ 21,307</u>
 <b>LIABILITIES:</b>				
Liabilities:				
Due to Student Groups	\$ 22,504	\$ 35,034	\$ 36,231	\$ 21,307
Total Liabilities	<u>\$ 22,504</u>	<u>\$ 35,034</u>	<u>\$ 36,231</u>	<u>\$ 21,307</u>

Exhibit H-4

ROCHELLE PARK SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Student Activities	\$ 22,504	\$ 35,034	\$ 36,231	\$ 21,307
Total All Funds	<u>\$ 22,504</u>	<u>\$ 35,034</u>	<u>\$ 36,231</u>	<u>\$ 21,307</u>

Exhibit H-5

ROCHELLE PARK SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 128,440	\$ 5,686,289	\$ 5,691,004	\$ 123,725
Interfund Receivable - General Fund		10,252		10,252
Total Assets	<u>\$ 128,440</u>	<u>\$ 5,696,541</u>	<u>\$ 5,691,004</u>	<u>\$ 133,977</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 237	\$ 5,549,051	\$ 5,549,288	
Accrued Salaries and Wages	124,891	147,434	138,348	\$ 133,977
Interfund Payable - General Fund	3,312	56	3,368	
Total Liabilities	<u>\$ 128,440</u>	<u>\$ 5,696,541</u>	<u>\$ 5,691,004</u>	<u>\$ 133,977</u>

LONG-TERM DEBT

ROCHELLE PARK SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2014	Issued	Matured	Balance June 30, 2015
			June 30, 2015 Date	Amount					
School Bonds:	08/15/01	\$ 2,760,000	08/15/15	\$ 220,000	4.375 %	\$ 655,000		\$ 215,000	\$ 440,000
Additions and Alterations to Midland School			08/15/16	220,000	4.500 %				
School Bonds- Series 2014 - Infrastructure Repairs and Building Security Enhancements	03/27/14	6,513,000	3/15/2016	350,000	3.000 %	6,513,000			6,513,000
			3/15/2017	175,000	3.000 %				
			3/15/2018	275,000	3.000 %				
			3/15/2019	275,000	3.000 %				
			3/15/2020	300,000	3.000 %				
			3/15/2021	300,000	3.000 %				
			3/15/2022	325,000	3.000 %				
			3/15/2023	325,000	3.000 %				
			3/15/2024	338,000	3.000 %				
			3/15/2025	350,000	3.000 %				
			3/15/2026	350,000	3.000 %				
			3/15/2027	350,000	3.000 %				
			3/15/2028	350,000	3.000 %				
			3/15/2029	350,000	3.000 %				
			3/15/2030	350,000	3.000 %				
			3/15/2031	350,000	3.125 %				
			3/15/2032	350,000	3.250 %				
			3/15/2033	350,000	3.250 %				
			3/15/2034	350,000	3.500 %				
			3/15/2035	350,000	3.500 %				
						\$ 7,168,000	\$ -0-	\$ 215,000	\$ 6,953,000

ROCHELLE PARK SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

ROCHELLE PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
 (UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 239,228		\$ 239,228	\$ 239,228	
Total Revenues	239,228		239,228	239,228	
EXPENDITURES:					
Regular Debt Service:					
Interest	218,603		218,603	218,603	
Redemption of Principal	215,000		215,000	215,000	
Total Regular Debt Service	433,603		433,603	433,603	
Total Expenditures	433,603		433,603	433,603	
Deficit of Revenue Under Expenditures	(194,375)		(194,375)	(194,375)	
Other Financing Sources:					
Transfer from Capital Projects Fund - Interest Earned				14,934	\$ 14,934
Transfer from Capital Reserve	194,375		194,375	194,375	
Total Other Financing Sources	194,375		194,375	209,309	14,934
Excess of Revenues and Other Financing Sources Over Expenditures				14,934	14,934
Fund Balance, July 1	7,841		7,841	7,841	
Fund Balance, June 30	\$ 7,841	\$ - 0 -	\$ 7,841	\$ 22,775	\$ 14,934
Recapitulation:					
Restricted				\$ 14,934	
Restricted - Designated for Subsequent Year's Expenditures				7,841	
				\$ 22,775	

STATISTICAL SECTION

**STATISTICAL SECTION**  
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

**Contents**

**Exhibit**

**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

ROCHELLE PARK SCHOOL DISTRICT  
NET POSITION BY COMPONENT,  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
UNAUDITED

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 95,915	\$ 144,104	\$ 218,520	\$ 276,672	\$ 278,303	\$ 433,080	\$ 601,914	\$ 787,894	\$ 967,901	\$ 1,149,409
Restricted	112,392	440,501	212,050	620,275	43,686	48,960	85,696	762,007	776,812	629,046
Unrestricted/(Deficit)	126,695	(55,528)	256,501	(45,050)	(15,748)	(13,136)	349,264	376,405	(1,481,367)	(1,401,736)
Total Governmental Activities Net Position	\$ 335,002	\$ 529,077	\$ 687,071	\$ 851,897	\$ 306,241	\$ 468,904	\$ 1,036,874	\$ 1,926,306	\$ 263,346	\$ 376,719
Business-Type Activities										
Net Investment in Capital Assets	\$ 57,549	\$ 51,271	\$ 45,475	\$ 39,680	\$ 33,885	\$ 28,089	\$ 22,294	\$ 16,498	\$ 27,429	\$ 26,023
Unrestricted	18,944	18,861	18,158	8,412	5,501	52,319	133,451	147,174	54,956	56,719
Total Business-Type Activities Net Position	\$ 76,493	\$ 70,132	\$ 63,633	\$ 48,092	\$ 39,386	\$ 80,408	\$ 155,745	\$ 163,672	\$ 82,385	\$ 82,742
District-Wide										
Net Investment in Capital Assets	\$ 153,464	\$ 195,375	\$ 263,995	\$ 316,352	\$ 312,188	\$ 461,169	\$ 624,208	\$ 804,392	\$ 995,330	\$ 1,175,432
Restricted	112,392	440,501	212,050	620,275	43,686	48,960	85,696	762,007	776,812	629,046
Unrestricted/(Deficit)	145,639	(36,667)	274,659	(36,638)	(10,247)	39,183	482,715	523,579	(1,426,411)	(1,345,017)
Total District-Wide Net Position	\$ 411,495	\$ 599,209	\$ 750,704	\$ 899,989	\$ 345,627	\$ 549,312	\$ 1,192,619	\$ 2,089,978	\$ 345,731	\$ 459,461

\*-As Restated

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT  
CHANGE IN NET POSITION BY COMPONENT, LAST EIGHT FISCAL YEARS  
UNAUDITED  
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:								
Governmental Activities								
Instruction:								
Regular	\$ 2,593,706	\$ 2,815,642	\$ 2,780,590	\$ 3,640,567	\$ 3,812,794	\$ 3,577,736	\$ 3,874,004	\$ 4,599,659
Special Education	549,376	583,295	644,947	824,690	878,544	982,242	964,163	1,140,360
Other Special Instruction	169,357	208,005	225,041	303,915	305,811	369,982	353,283	404,569
School-Sponsored/Other Instruction	45,749	54,132	38,296	35,512	40,956	39,986	38,778	60,791
Support Services:								
Tuition	2,616,313	2,546,645	2,703,222	2,874,295	2,755,948	3,088,795	3,412,474	3,560,980
Student and Instruction Related Services	833,720	873,130	822,429	942,207	874,633	876,642	814,337	858,857
General Administrative Services	325,172	315,441	276,574	307,041	294,656	256,588	275,701	349,459
School Administrative Services	163,224	169,434	160,766	211,841	283,464	211,090	286,785	287,788
Central Services	195,992	193,059	209,796	245,777	195,349	244,219	213,836	269,338
Administration Information Technology								
Plant Operations and Maintenance	569,284	598,452	538,987	600,775	590,287	664,467	675,858	785,920
Pupil Transportation	364,024	347,451	409,039	339,440	369,318	292,327	318,507	344,778
Unallocated Employee Benefits	1,886,844	1,521,004	1,662,822					
Unallocated Depreciation				67,713	52,231	52,153	52,149	52,149
Transfer of Funds to Charter Schools				32,888	36,826	35,245	73,215	102,716
Capital Outlay	201,457	312,036	234,006	18,521	5,213			32,600
Interest on Long-Term Debt	90,964	82,648	73,891	86,714	51,830	41,808	83,183	218,786
Total Governmental Activities Expenses	<u>10,605,182</u>	<u>10,620,374</u>	<u>10,780,406</u>	<u>10,531,896</u>	<u>10,547,860</u>	<u>10,733,280</u>	<u>11,626,833</u>	<u>13,242,484</u>

ROCHELLE PARK SCHOOL DISTRICT  
CHANGE IN NET POSITION BY COMPONENT, LAST EIGHT FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:								
Business-Type Activities:								
Food Service	\$ 160,943	\$ 169,242	\$ 184,334	\$ 173,651	\$ 172,029	\$ 193,904	\$ 193,903	\$ 212,045
Latchkey and Preschool Programs				126,483	136,999	280,714	280,714	151,003
Total Business-Type Activities Expense	<u>160,943</u>	<u>169,242</u>	<u>184,334</u>	<u>300,134</u>	<u>309,028</u>	<u>474,618</u>	<u>474,617</u>	<u>363,048</u>
Total District Expenses	<u>\$ 10,766,125</u>	<u>\$ 10,789,616</u>	<u>\$ 10,964,740</u>	<u>\$ 10,832,030</u>	<u>\$ 10,856,888</u>	<u>\$ 11,207,898</u>	<u>\$ 12,101,450</u>	<u>\$ 13,605,532</u>
Program Revenues:								
Governmental Activities:								
Charges for Services								\$ 50,310
Operating Grants and Contributions	\$ 1,480,999	\$ 1,148,240	\$ 1,204,946	\$ 1,154,183	\$ 1,302,745	\$ 1,474,900	\$ 1,464,573	2,505,726
Total Governmental Activities Program Revenues	<u>1,480,999</u>	<u>1,148,240</u>	<u>1,204,946</u>	<u>1,154,183</u>	<u>1,302,745</u>	<u>1,474,900</u>	<u>1,464,573</u>	<u>2,556,036</u>
Business-Type Activities:								
Charges for Services:								
Food Service	98,428	98,073	105,486	110,994	121,780	109,088	106,788	110,645
Latchkey and Preschool Programs				165,582	196,875	153,206	205,557	160,563
Operating Grants and Contributions	29,425	29,345	39,739	43,892	45,682	56,928	59,995	55,281
Total Business-Type Activities Program Revenues	<u>127,853</u>	<u>127,418</u>	<u>145,225</u>	<u>320,468</u>	<u>364,337</u>	<u>319,222</u>	<u>372,340</u>	<u>326,489</u>
Total District Program Revenues	<u>\$ 1,608,852</u>	<u>\$ 1,275,658</u>	<u>\$ 1,350,171</u>	<u>\$ 1,474,651</u>	<u>\$ 1,667,082</u>	<u>\$ 1,794,122</u>	<u>\$ 1,836,913</u>	<u>\$ 2,882,525</u>
Net (Expense)/Revenue:								
Governmental Activities	\$ (9,124,183)	\$ (9,472,134)	\$ (9,575,460)	\$ (9,377,713)	\$ (9,245,115)	\$ (9,258,380)	\$ (10,162,260)	\$ (10,686,448)
Business-Type Activities	(33,090)	(41,824)	(39,109)	20,334	55,309	(155,396)	(102,277)	(36,559)
Total District-Wide Net Expense	<u>\$ (9,157,273)</u>	<u>\$ (9,513,958)</u>	<u>\$ (9,614,569)</u>	<u>\$ (9,357,379)</u>	<u>\$ (9,189,806)</u>	<u>\$ (9,413,776)</u>	<u>\$ (10,264,537)</u>	<u>\$ (10,723,007)</u>

ROCHELLE PARK SCHOOL DISTRICT  
CHANGE IN NET POSITION BY COMPONENT, LAST EIGHT FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position:								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 8,791,803	\$ 8,775,772	\$ 8,699,726	\$ 9,257,385	\$ 9,442,533	\$ 9,691,383	\$ 9,963,292	\$ 10,308,529
Taxes Levied for Debt Service	277,863	273,940	276,706	274,262	276,698	275,473	273,797	239,228
Unrestricted Grants and Contributions	178,529	441,712	117,162	20,703	41,637	48,325	47,095	58,593
Investment Earnings				349				
Miscellaneous Income	60,004	171,709	13,556	8,051	72,217	152,631	124,578	230,166
Transfers	(26,022)	(26,173)	(77,346)	(20,374)	(20,000)	(20,000)	(20,000)	(36,695)
Total Governmental Activities	<u>9,282,177</u>	<u>9,636,960</u>	<u>9,029,804</u>	<u>9,540,376</u>	<u>9,813,085</u>	<u>10,147,812</u>	<u>10,388,762</u>	<u>10,799,821</u>
Business-Type Activities:								
Miscellaneous Income	569	110	107	314	28	813	992	221
Transfers	26,022	26,173	30,296	20,374	20,000	20,000	20,000	36,695
Total Business-Type Activities	<u>26,591</u>	<u>26,283</u>	<u>30,403</u>	<u>20,688</u>	<u>20,028</u>	<u>20,813</u>	<u>20,992</u>	<u>36,916</u>
Total District-Wide	<u>\$ 9,308,768</u>	<u>\$ 9,663,243</u>	<u>\$ 9,060,207</u>	<u>\$ 9,561,064</u>	<u>\$ 9,833,113</u>	<u>\$ 10,168,625</u>	<u>\$ 10,409,754</u>	<u>\$ 10,836,737</u>
Change in Net Position:								
Governmental Activities	\$ 157,994	\$ 164,826	\$ (545,656)	\$ 162,663	\$ 567,970	\$ 889,432	\$ 226,502	\$ 113,373
Business-Type Activities	(6,499)	(15,541)	(8,706)	41,022	75,337	(134,583)	(81,285)	357
Total District	<u>\$ 151,495</u>	<u>\$ 149,285</u>	<u>\$ (554,362)</u>	<u>\$ 203,685</u>	<u>\$ 643,307</u>	<u>\$ 754,849</u>	<u>\$ 145,217</u>	<u>\$ 113,730</u>

This schedule does not contain ten years of information as the information for the fiscal years 2006 and 2007 is not available.

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENT FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved/Restricted	\$ 222,888	\$ 376,702	\$ 503,447	\$ 505,827	\$ 138,878	\$ 44,035	\$ 84,333	\$ 760,644	\$ 768,971	\$ 606,271
Assigned						4,925	99,152	175,155	124,000	234,875
Unassigned	259,738	251,809	274,955	208,917	192	121,838	354,451	300,164	426,277	272,492
Total General Fund	<u>\$ 482,626</u>	<u>\$ 628,511</u>	<u>\$ 778,402</u>	<u>\$ 714,744</u>	<u>\$ 139,070</u>	<u>\$ 170,798</u>	<u>\$ 537,936</u>	<u>\$ 1,235,963</u>	<u>\$ 1,319,248</u>	<u>\$ 1,113,638</u>
All Other Governmental Funds										
Unreserved, Reported in:										
Capital Projects Fund	\$ 63,828	\$ 63,828	\$ 63,828	\$ 111,752	\$ 194					
Debt Service Fund	4,758	6,809	5,893	2,696	511			\$ 1,363		
Committed:										
Capital Projects Fund										\$ 160,179
Restricted:										
Capital Projects Fund									\$ 6,313,423	4,164,797
Unassigned/(Deficit): Capital Projects Fund									(9,793)	
Debt Service Fund							\$ 1,363		7,841	22,775
Total All Other Governmental Funds	<u>\$ 68,586</u>	<u>\$ 70,637</u>	<u>\$ 69,721</u>	<u>\$ 114,448</u>	<u>\$ 705</u>	<u>\$ -0-</u>	<u>\$ 1,363</u>	<u>\$ 1,363</u>	<u>\$ 6,311,471</u>	<u>\$ 4,347,751</u>

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS  
LAST EIGHT FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>								
Local Tax Levy	\$ 9,069,666	\$ 9,049,712	\$ 8,976,432	\$ 9,531,647	\$ 9,719,231	\$ 9,966,856	\$ 10,237,089	\$ 10,547,757
Tuition Charges								50,310
Interest Earnings on Capital Reserve	1,429	1,009	348	349	3	70	71	40
Miscellaneous	58,575	170,700	13,556	8,051	72,214	152,561	124,507	230,126
State Sources	1,511,047	1,251,805	1,095,619	948,173	1,124,970	1,336,787	1,311,532	1,506,104
Federal Sources	148,481	148,481	226,141	226,713	219,412	186,438	200,136	282,903
<b>Total Revenue</b>	<b>10,789,198</b>	<b>10,621,707</b>	<b>10,312,096</b>	<b>10,714,933</b>	<b>11,135,830</b>	<b>11,642,712</b>	<b>11,873,335</b>	<b>12,617,240</b>
<b>Expenditures:</b>								
<b>Instruction:</b>								
Regular Instruction	2,593,706	2,815,642	2,780,590	2,650,331	2,725,742	2,473,166	2,724,869	2,957,564
Special Education Instruction	549,376	583,295	644,947	641,338	674,484	697,602	708,940	766,375
Other Special Instruction	169,357	208,005	225,041	215,139	207,805	244,587	241,962	248,967
School-Sponsored/Other Instruction	45,749	54,132	38,296	29,364	33,245	32,291	27,327	40,462
<b>Support Services:</b>								
Tuition	2,616,313	2,546,645	2,703,222	2,874,295	2,755,948	3,088,795	3,412,474	3,560,980
Student and Instruction Related Services	833,720	873,130	822,429	757,922	698,392	692,128	676,331	650,421
General Administrative Services		315,441	276,574	259,742	251,301	218,194	236,976	272,544
School Administrative Services	325,172	169,434	160,766	161,243	215,287	153,278	211,925	190,796
Central Services	163,224	193,059	209,796	203,025	179,769	204,065	183,185	206,688
Administration Information Technology							96,972	142,934
Plant Operations and Maintenance	282,729	598,452	538,987	544,016	523,226	523,713	597,980	642,511
Pupil Transportation	482,547	347,451	409,039	337,639	367,481	290,356	318,507	344,778
Unallocated Benefits	2,252,715	1,522,527	1,674,952	1,663,300	1,773,386	1,917,896	1,886,337	1,968,464

ROCHELLE PARK SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS,  
LAST EIGHT FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2008	2009	2010	2011	2012	2013	2014	2015
Expenditures: (Cont'd)								
Capital Outlay	\$ 117,711	\$ 109,604	\$ 160,637	\$ 18,521	\$ 29,102	\$ 77,896	\$ 300,782	\$ 2,220,072
Charter Schools				32,888	36,826	35,245	73,215	102,716
Debt Service:								
Principal	190,000	195,000	205,000	210,000	220,000	230,000	240,000	215,000
Interest and Other Charges	90,964	82,648	73,891	64,773	55,335	45,473	35,160	218,603
Total Expenditures	<u>10,713,283</u>	<u>10,614,465</u>	<u>10,924,167</u>	<u>10,663,536</u>	<u>10,747,329</u>	<u>10,924,685</u>	<u>11,972,942</u>	<u>14,749,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>75,915</u>	<u>7,242</u>	<u>(612,071)</u>	<u>51,397</u>	<u>388,501</u>	<u>718,027</u>	<u>(99,607)</u>	<u>(2,132,635)</u>
Other Financing Sources (Uses):								
Bond Proceeds							\$ 6,513,000	
Transfers In				196			7,841	392,609
Transfers Out	(26,022)	(26,173)	(77,346)	(20,570)	(20,000)	(20,000)	(27,841)	(429,304)
Total Other Financing Sources (Uses)	<u>(26,022)</u>	<u>(26,173)</u>	<u>(77,346)</u>	<u>(20,374)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>6,493,000</u>	<u>(36,695)</u>
Net Change in Fund Balances	<u>\$ 49,893</u>	<u>\$ (18,931)</u>	<u>\$ (689,417)</u>	<u>\$ 31,023</u>	<u>\$ 368,501</u>	<u>\$ 698,027</u>	<u>\$ 6,393,393</u>	<u>\$ (2,169,330)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.65 %	2.64 %	2.59 %	2.58 %	2.57 %	2.54 %	2.36 %	3.46 %

This schedule does not contain ten years of information as the information for the fiscal years 2006 and 2007 is not available.

Source: School District Financial Reports

Exhibit J-5

ROCHELLE PARK SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST NINE FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds/</u> <u>Reimbursements</u>	<u>Other</u>	<u>Tuition from</u> <u>Individuals</u>	<u>Contribution</u> <u>from Township</u>	<u>Total</u>
2007	\$ 29,609	\$ 39,239				\$ 68,848
2008	44,383	10,578				54,961
2009	12,633	82,067	\$ 75,413			170,113
2010	9,381	3,957				13,338
2011	7,685			413		8,098
2012	38	30,457	41,722			72,217
2013	70	36,817	15,744		\$ 100,000	152,631
2014	71	11,061	10,998		94,607	116,737
2015	40	18,870	778	\$ 50,310	195,544	265,542

This schedule does not contain ten years of information as the information for fiscal year 2006 was not available.

Source: Rochelle Park School District records

ROCHELLE PARK SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2005	\$ 9,564,400	\$ 391,230,600	\$ 221,611,800	\$ 24,498,800	\$ 21,730,100	\$ 668,635,700	\$ 38,562,000	\$ 25,603,194	\$ 694,238,894	\$ 1.11	\$ 793,462,186
2006	12,977,700	391,636,200	221,900,500	24,498,800	21,730,100	672,743,300	38,572,000	20,322,987	693,066,287	1.23	887,879,147
2007	8,087,901	415,706,800	216,896,300	24,498,800	23,899,100	689,088,901	39,262,700	17,789,752	706,878,653	1.26	1,037,448,129
2008	8,761,001	416,907,900	211,950,500	23,848,800	23,899,100	685,367,301	39,234,200	17,560,579	702,927,880	1.27	1,139,935,685
2009	8,998,700	418,915,200	192,045,320	22,993,300	23,899,100	666,851,620	39,259,200	14,984,048	681,835,668	1.30	1,133,648,896
* 2010	11,715,400	604,811,200	315,071,900	32,392,800	20,821,200	984,812,500	57,172,800	27,395,337	1,012,207,837	0.93	1,089,014,589
2011	5,803,900	604,321,800	315,635,400	32,392,800	20,821,200	978,975,100	60,951,000	24,940,711	1,003,915,811	0.96	1,070,397,320
2012	5,374,000	603,442,100	314,727,200	32,247,600	20,821,200	976,612,100	60,951,000	26,451,640	1,003,063,740	0.98	980,904,991
2013	4,934,400	601,560,500	312,497,200	32,045,600	20,626,700	971,664,400	60,675,500		971,664,400	1.04	896,065,307
2014	5,112,800	600,122,200	305,389,200	31,876,500	20,821,500	963,322,200	62,929,500		963,322,200	1.08	954,162,242

\* A Revaluation of Real Property was effective in this year.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax Rates are per \$100 of Assessed Value.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation.

Source: Municipal Tax Assessor

Exhibit J-7

ROCHELLE PARK SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(RATE PER \$100 OF ASSESSED VALUE)*

Year Ended December 31,	Rochelle Park School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Rochelle Park	Bergen County	
2005	N/A	N/A	\$ 1.11	\$ 0.84	\$ 0.23	\$ 2.18
2006	N/A	N/A	1.23	0.91	0.24	2.38
2007	\$ 1.22	\$ 0.04	1.26	0.96	0.26	2.48
2008	1.23	0.04	1.27	1.03	0.30	2.59
2009	1.26	0.04	1.30	1.10	0.30	2.70
2010	* 0.91	0.03	0.93	0.81	0.21	1.95
2011	0.93	0.03	0.96	0.84	0.22	2.01
2012	0.96	0.03	0.98	0.86	0.21	2.06
2013	1.02	0.03	1.04	0.86	0.21	2.11
2014	1.06	0.02	1.08	0.89	0.24	2.21

N/A This information is not available.

\* A Revaluation of Real Property was effective in this year.

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

Source: Municipal Tax Collector and School Business Administrator

ROCHELLE PARK SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Taxpayer	2015		Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Mack-Cali Realty LP	\$ 30,797,200	3.20 %			
Verizon	24,940,711	2.59 %			
Rochelle Park Holding LLC	19,468,800	2.02 %			
395 W Passaic LLC	16,718,200	1.74 %		NOT AVAILABLE	
SAC Realty LLC	15,479,700	1.61 %			
Rte 17 Invest LLC	15,466,800	1.61 %			
Coolidge Park 17 LLC	14,875,500	1.54 %			
Rochelle Pk. Jt. Vent. (c/o Mandelbaum)	12,676,500	1.32 %			
Sims Associates (c/o S. Goldsmith)	11,370,900	1.18 %			
Sherebrooke Holding Company	10,267,700	1.07 %			
Total	\$ 172,062,011	17.86 %			

Source: Municipal Tax Assessor

Exhibit J-9

ROCHELLE PARK SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST EIGHT FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 9,069,666	\$ 9,069,666	100.00 %	-0-
2009	9,049,712	9,049,712	100.00 %	-0-
2010	8,976,432	8,976,432	100.00 %	-0-
2011	9,531,647	9,531,647	100.00 %	-0-
2012	9,719,231	9,719,231	100.00 %	-0-
2013	9,966,856	9,966,856	100.00 %	-0-
2014	10,237,089	10,237,089	100.00 %	-0-
2015	10,547,757	10,547,757	100.00 %	-0-

This schedule does not contain ten years of information as the information for the fiscal years 2006 and 2007 was not available.

<sup>a</sup> School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: Rochelle Park School District records including the Certificate and Report of School Taxes (A4F form)

ROCHELLE PARK SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases			
2006	\$ 2,325,000	\$ -	\$ 2,325,000	0.71 %	\$ 403
2007	2,145,000	-0-	2,145,000	0.58 %	363
2008	1,955,000	-0-	1,955,000	0.48 %	323
2009	1,760,000	-0-	1,760,000	0.43 %	291
2010	1,555,000	-0-	1,555,000	0.41 %	256
2011	1,345,000	-0-	1,345,000	0.37 %	243
2012	1,125,000	-0-	1,125,000	0.31 %	202
2013	895,000	-0-	895,000	0.23 %	161
2014	7,168,000	-0-	7,168,000	1.79 %	1,246
2015	6,953,000	-0-	6,953,000	1.73 %	1,203

<sup>a</sup> See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Source: School District Financial Reports

Exhibit J-11

ROCHELLE PARK SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obiligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 2,325,000	-0-	\$ 2,325,000	0.33 %	\$ 403
2007	2,145,000	-0-	2,145,000	0.31 %	363
2008	1,955,000	-0-	1,955,000	0.28 %	323
2009	1,760,000	-0-	1,760,000	0.25 %	291
2010	1,555,000	-0-	1,555,000	0.23 %	256
2011	1,345,000	-0-	1,345,000	0.13 %	243
2012	1,125,000	-0-	1,125,000	0.11 %	202
2013	895,000	-0-	895,000	0.09 %	161
2014	7,168,000	-0-	7,168,000	0.74 %	1,246
2015	6,953,000	-0-	6,953,000	0.72 %	1,203

<sup>a</sup> See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

<sup>b</sup> See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Source: School District Financial Reports

Exhibit J-12

ROCHELLE PARK SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2014  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Rochelle Park	\$ 11,590,200	100.00 %	\$ 11,590,200
Bergen County General Obligation Debt	933,422,641	1.00 %	<u>9,334,226</u>
Subtotal, Overlapping Debt			20,924,426
Rochelle Park School District			<u>6,953,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 27,877,426</u></u>

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Rochelle Park. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

Sources: Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation; debt outstanding data provided by each governmental unit.

ROCHELLE PARK SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2015

2014	\$ 950,225,414
2013	949,422,970
2012	964,780,683
	<u>\$ 2,864,429,067</u>
 Average Equalized Valuation of Taxable Property	 <u>\$954,809,689.00</u>
 Debt Limit (3% of Average Equalization Value) <sup>a</sup>	 \$ 28,644,291
Net Bonded School Debt at June 30, 2015	6,953,000
Legal Debt Margin	<u>\$ 21,691,291</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 34,115,608	\$ 30,503,516	\$ 28,943,420	\$ 29,309,875	\$ 28,644,291
Total Net Debt Applicable to Limit	1,345,000	1,125,000	895,000	7,168,000	6,953,000
Legal Debt Margin	<u>\$ 32,770,608</u>	<u>\$ 29,378,516</u>	<u>\$ 28,048,420</u>	<u>\$ 22,141,875</u>	<u>\$ 21,691,291</u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 3.94 %	 3.69 %	 3.09 %	 24.46 %	 24.27 %

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 26,134,367	\$ 29,706,721	\$ 34,263,011	\$ 34,879,558	\$ 34,025,607
Total Net Debt Applicable to Limit	2,325,000	2,145,000	1,955,000	1,760,000	1,555,000
Legal Debt Margin	<u>\$ 23,809,367</u>	<u>\$ 27,561,721</u>	<u>\$ 32,308,011</u>	<u>\$ 33,119,558</u>	<u>\$ 32,470,607</u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 8.90 %	 7.22 %	 5.71 %	 5.05 %	 4.57 %

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

Exhibit J-14

ROCHELLE PARK SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	5,904	\$ 370,263,456	\$ 62,714	4.40 %
2007	6,045	407,396,730	67,394	3.90 %
2008	6,046	412,500,442	68,227	5.10 %
2009	6,063	383,169,474	63,198	9.10 %
2010	5,536	362,530,496	65,486	9.30 %
2011	5,566	367,890,336	66,096	9.10 %
2012	5,575	389,798,425	69,919	9.30 %
2013	5,754	399,874,230	69,495	12.10 %
2014	5,781	401,750,595	69,495 *	5.70 %
2015	5,781 **	401,750,595 ***	69,495 *	N/A

\* - Latest Bergen County per capita personal income available (2013) was used for calculation purposes.

\*\* - Latest population data available (2014) was used for calculation purposes.

\*\*\* - Latest available population data (2014) and latest available Bergen County per capita personal income (2013) was used for calculation purposes

N/A - Information Unavailable

Source:

<sup>a</sup> Population information provided by the New Jersey Department of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by county provided by the New Jersey Department of Labor and Workforce Development

<sup>d</sup> Unemployment data provided by the New Jersey Department of Labor and Workforce Development

ROCHELLE PARK SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - BERGEN COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

2015			2006		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment

Information is Not Available

Information is Not Available

NOTE: The District was unsuccessful in its attempt to obtain information regarding the principal employers of the County.

ROCHELLE PARK SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	42.0	42.0	41.0	42.0	41.0	42.0	42.0	42.0	44.0	45.0
Support Services:										
Student and Instruction Related Services	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Business and Other Support Services	2.0	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0
	<u>66.0</u>	<u>66.5</u>	<u>65.5</u>	<u>66.5</u>	<u>66.0</u>	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>	<u>69.0</u>	<u>70.0</u>
Food Service	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Latchkey/After School Program					4.0	4.0	4.0	4.0	4.0	4.0
	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
Total	<u>72.0</u>	<u>72.5</u>	<u>71.5</u>	<u>72.5</u>	<u>76.0</u>	<u>77.0</u>	<u>77.0</u>	<u>77.0</u>	<u>79.0</u>	<u>80.0</u>

Source: District Personnel Records

ROCHELLE PARK SCHOOL DISTRICT  
OPERATING STATISTICS,  
LAST EIGHT FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percentage Change	Teaching Staff <sup>c</sup>	Elementary/Middle		% Change in Average Daily Enrollment	Student Attendance Percentage	
						Pupil/Teacher Ratio	Average Daily Enrollment (ADE) <sup>d</sup>			
2008	498	\$ 10,314,608	\$ 20,712	N/A	49	10:2	496	472	3.68 %	95.16 %
2009	505	10,227,213	20,252	-2.22 %	50	10:1	507	485	2.22 %	95.56 %
2010	510	10,484,639	20,558	1.51 %	49	10:2	504	483	-0.59 %	95.81 %
2011	452	10,370,242	22,943	11.60 %	47	9:6	452	431	-10.32 %	95.33 %
2012	462	10,442,892	22,604	-1.48 %	47	9:6	462	442	2.21 %	95.67 %
2013	463	10,571,316	22,832	1.01 %	47	9:6	456	435	-1.30 %	95.39 %
2014	458	11,397,000	24,884	8.99 %	48	9:5	458	437	0.44 %	95.41 %
2015	479	12,096,200	25,253	1.48 %	45	9:5	470	448	2.62 %	95.32 %

N/A This information is not available.

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Cost per pupil is the sum as operating expenditures divided by enrollment. This cost per pupil may be different from the State's per pupil calculations.

<sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>d</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note: Enrollment based on annual October district count.

This schedule does not contain ten years of information as the information for the fiscal years 2006 and 2007 is not available.

Source: Rochelle Park School District records

ROCHELLE PARK SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>										
Midland School										
Square Feet	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500
Capacity (Students)	506	506	506	506	506	506	506	506	506	506
Enrollment	471	480	498	505	510	452	462	463	458	479
Number of Schools at June 30, 2015										
Elementary = 1										

Note: Enrollment is based on the annual October district count.

Source: Rochelle Park School District Facilities Office

ROCHELLE PARK SCHOOL DISTRICT  
SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES  
LAST NINE FISCAL YEARS  
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
ACCOUNT #11-000-261-xxx

<u>School Facility</u>	<u>Project #</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Midland School	N/A	\$ 80,176	\$ 86,737	\$ 88,869	\$ 80,275	\$ 71,550	\$ 101,571	\$ 79,657	\$ 77,131	\$ 131,763
		<u>\$ 80,176</u>	<u>\$ 86,737</u>	<u>\$ 88,869</u>	<u>\$ 80,275</u>	<u>\$ 71,550</u>	<u>\$ 101,571</u>	<u>\$ 79,657</u>	<u>\$ 77,131</u>	<u>\$ 131,763</u>

This schedule does not contain ten years of information as the information for the fiscal year 2006 is not available.

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Rochelle Park School District records

Exhibit J-20

ROCHELLE PARK SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group (NESBIG):		
Package Policy - Selective Insurance Company		
Property	\$ 14,793,399	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Liability		
Automobile (Comprehensive & Collision)	1,000,000	1,000
Comprehensive General Liability	1,000,000	None
Crime (Non-statutory Bonds)		
Per Employee (Primary)	100,000	5,000
Per Loss (Excess)	400,000	None
Boiler & Machinery	Property Limit	
Environmental - ACE	2,000,000	15,000
Fund Aggregate	20,000,000	
Educator's Legal Liability/ Employment Practices - Darwin	1,000,000	10,000 15,000
Commercial Umbrella - Selective	9,000,000	10,000
Excess Umbrella - Fireman's Fund	50,000,000	
Fund Aggregate		
Cyber Liability - XL	1,000,000	15,000
Fund Aggregate	4,000,000	
Surety Bond Coverage:		
Treasurer of School Monies	185,000	
Business Administrator	185,000	

Source: Rochelle Park School District records

SINGLE AUDIT SECTION



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 200 Valley Road, Suite 300  
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Report on Internal Control Over Financial Reporting and  
 on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Rochelle Park School District  
 County of Bergen, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 23, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable President and Members  
of the Board of Education  
Rochelle Park School District  
Page 2

### **Compliance and Other Matters**

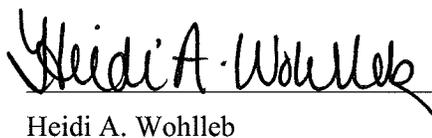
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 23, 2015  
Mount Arlington, New Jersey

NISIVOCIA LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



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Report on Compliance For Each Major State Program;  
 Report on Internal Control Over Compliance Required by OMB Circular A-133  
 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Rochelle Park School District  
 County of Bergen, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the Board of Education of the Rochelle Park School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2015. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the District's compliance.

The Honorable President and Members  
of the Board of Education  
Rochelle Park School District  
Page 2

### ***Opinion on Each Major State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

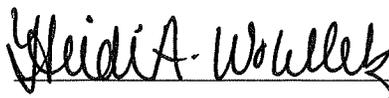
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

November 23, 2015  
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

ROCHELLE PARK SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014				Balance at June 30, 2015			
					Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	\$ 49,205	\$ (2,312)		\$ 2,312					
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	42,432			40,070	\$ (42,432)	\$ (2,362)			
National School Breakfast Program	10.553	N/A	7/1/14-6/30/15	1,283			1,193	(1,283)	(90)			
Federal Food Distribution Program	10.555	N/A	7/1/14-6/30/15	9,871			9,871	(9,871)				
Total Child Nutrition Cluster					(2,312)		53,446	(53,586)	(2,452)			
Total U.S. Department of Agriculture					(2,312)		53,446	(53,586)	(2,452)			
Total Enterprise Funds					(2,312)		53,446	(53,586)	(2,452)			
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
NCLB Consolidated Grant:												
Title I	84.010A	NCLB-4470-14	7/1/13-6/30/14	46,082	(5,520)		5,520					
Title I	84.010A	NCLB-4470-15	7/1/14-6/30/15	52,452			52,452	(52,452)				
Title II - Part A	84.278A	NCLB-4470-15	7/1/14-6/30/15	9,703			9,703	(9,703)				
					(5,520)		67,675	(62,155)				
Special Education Cluster:												
IDEA Part B, Basic	84.027	IDEA-4470-15	7/1/14-6/30/15	122,406			122,406	(122,406)				
IDEA Part B, Preschool	84.173	IDEA-4470-15	7/1/14-6/30/15	5,001			5,001	(5,001)				
Total Special Education Cluster							127,407	(127,407)				
Race to the Top:												
IIS Competitive Grant (RTTT- Phase III)	84.413A	N/A	7/1/14-11/30/15	120,000				(93,341)	(93,341)			
Total Special Revenue Fund					(5,520)		195,082	(282,903)	(93,341)			
Total U.S. Department of Education					(5,520)		195,082	(282,903)	(93,341)			
Total Federal Financial Awards					\$ (7,832)	\$ -0-	\$ 248,528	\$ (336,489)	\$ (95,793)	\$ -0-	\$ -0-	

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

ROCHELLE PARK SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014		Cash Received	Budgetary Expenditures	Balance at June 30, 2015			Memo	
				(Accounts Receivable)	Due to Grantor			GAAP (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	\$ 366,046	\$ (14,242)		\$ 14,242						
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	366,046			351,374	\$ (366,046)				\$ (14,672)	\$ 366,046
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	46,303	(1,802)		1,802						
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	46,303			44,447	(46,303)				(1,856)	46,303
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	27,358	(1,064)		1,064						
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	27,358			26,262	(27,358)				(1,096)	27,358
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	6,430			6,172	(6,430)				(258)	6,430
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	6,430			6,172	(6,430)				(258)	6,430
Extraordinary Special Education Aid	14-100-034-5120-473	7/1/13-6/30/14	183,582	(183,582)		183,582						
Extraordinary Special Education Aid	15-100-034-5120-473	7/1/14-6/30/15	281,540				(281,540)	\$ (281,540)			(281,540)	281,540
Nonpublic Transportation	14-495-034-5120-014	7/1/13-6/30/14	9,803	(9,803)		9,803						
Nonpublic Transportation	15-495-034-5120-014	7/1/14-6/30/15	9,092				(9,092)	(9,092)			(9,092)	9,092
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	298,812	(28,117)		28,117						
	15-495-034-5095-002	7/1/14-6/30/15	286,289			286,289	(286,289)					286,289
Total General Fund State Aid				(238,610)		959,326	(1,029,488)	(290,632)			(308,772)	1,029,488
Special Revenue Fund:												
Textbook Aid (Chapter 194)	15-100-034-5120-064	7/1/14-6/30/15				4,647					4,647	
Nonpublic Technology Initiative Aid	15-100-034-5120-373	7/1/14-6/30/15				2,496					2,496	
Nursing Services (Chapter 226)	15-100-034-5120-070	7/1/14-6/30/15				7,398					7,398	
Total Special Revenue Fund						14,541					14,541	
Enterprise Fund:												
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	1,773	(83)		83						
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	1,695			1,607	(1,695)	(88)			(88)	1,695
Total Enterprise Fund				(83)		1,690	(1,695)	(88)			(88)	1,695
Capital Projects Fund:												
Schools Development Authority:												
Educational Facilities Construction & Financing Act:												
Midland Elementary School#1- Sprinkler System Construction Services	4470-050-14-1003	7/1/13-6/30/16	122,200	(122,200)							(122,200)	
Total Capital Projects Fund				(122,200)							(122,200)	
Total State Financial Awards				\$ (360,893)	\$ -0-	\$ 975,557	\$ (1,031,183)	\$ (290,720)	\$ -0-	\$ 14,541	\$ (431,060)	\$ 1,031,183

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Rochelle Park School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund and capital projects fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund is presented in accompanying schedules on the budgetary basis with the exception of the revenue recognition of the Educational Facilities Construction and Financing Act grants which are realized as revenue upon their award, whereas the GAAP basis recognizes the revenue to the extent of actual expenditures and when funds are submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,032) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension Contributions and Post Retirement Contributions revenue of \$184,598 and \$293,050 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as on the following page:

ROCHELLE PARK SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,506,104	\$ 1,506,104
Special Revenue Fund	\$ 282,903		282,903
Food Service Fund	53,586	1,695	55,281
Total Awards	<u>\$ 336,489</u>	<u>\$ 1,507,799</u>	<u>\$ 1,844,288</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Rochelle Park School District had no outstanding federal or state loan balances at June 30, 2015.

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has an active grant awarded in the amount of \$122,200 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, the grant funds have not been expended, or drawn down or received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

ROCHELLE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditors' report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2015 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State Aid - Public:				
Special Education Aid	15-495-034-5120-011	7/1/14-6/30/15	\$ 366,046	\$ 366,046
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	46,303	46,303
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	6,430	6,430
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	6,430	6,430
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	286,289	286,289

- The threshold used for distinguishing between Type A and Type B state programs was \$300,000.
- The District was determined to be a "low-risk" auditee for state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

ROCHELLE PARK SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in section 510(a) of the federal circular and NJOMB 04-04 and 15-08.

ROCHELLE PARK SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

There were no prior year audit findings.